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U.S. DEPARTMENT OF THE INTERIOR

3

OUTER CONTINENTAL SHELF HEARING

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OCS HEARING TAKEN WEDNESDAY, APRIL

15

8, 2009, AT TULANE UNIVERSITY, MCALISTER

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AUDITORIUM, 6823 ST. CHARLES AVENUE, NEW

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ORLEANS, LOUISIANA 70118.

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KAUFMAN, HOFFMAN, TAYLOR, WYATT & D'ARCOURT

1 APPEARANCES: MORNING SESSION ONLY

2 SECRETARY OF THE INTERIOR:

3 KEN SALAZAR

4 MINERAL MANAGEMENT SERVICES:

5 BOB LABELLE

6 U.S. GEOLOGICAL SURVEY:

7 BRENDA PIERCE

8

9 SENATOR MARY LANDRIEU

10 CONGRESSMAN GENE TAYLOR

11 CONGRESSMAN CHARLES BOUSTANY

12 CONGRESSMAN CHARLIE MELANCON

13 CONGRESSMAN JOSEPH CAO

14 CONGRESSMAN BILL CASSIDY

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21 REPORTED BY RICKEY MARSHALL, C.C.R.

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25 APPEARANCES CONTINUED NEXT PAGE:

KAUFMAN, HOFFMAN, TAYLOR, WYATT & D'ARCOURT

1 APPEARANCES: AFTERNOON SESSION ONLY

2 MINERAL MANAGEMENT SERVICES:

3 CHRIS OYNES

4 JAMES KENDALL

5 RENEE ORR

6 LARS HERBST

7 STEVEN TEXTORIS

8 HAROLD SYMS

9 JOSEPH CHRISTOPHER

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15 REPORTED BY RICKEY MARSHALL, C.C.R.

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21 REPORTED BY RICKEY MARSHALL, C.C.R.

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1 P R O C E E D I N G S

2 (MORNING SESSION)

3 SECRETARY SALAZAR:

4 Let me first say it's an honor
5 to be here in Louisiana and on the Gulf Coast
6 once again. I think some people may be
7 thinking that I have adopted Louisiana and
8 the Gulf Coast as my second home, and that
9 Colorado has sort of descended in the scale
10 of priority. Because Senator Landrieu now
11 has had me out here to New Orleans and to the
12 Gulf Coast twice during my first seventy-five
13 days as Secretary of the Interior. You have
14 a beautiful city, and a wonderful state and
15 the entire Gulf region is one of those places
16 that has so much uniqueness in terms of its
17 people, in terms of its culture, in terms of
18 its history, and it's a delight for me to be
19 back here again.

20 I want to say thank you to Senator Mary
21 Landrieu for her leadership and tireless
22 efforts on behalf of the people of Louisiana.
23 There is not a day that passes when she does
24 not have Louisiana first and foremost on her
25 mind. She's a fighter for all of your

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1 causes, and it's been my honor to join her in
2 some of those causes in the last several
3 years. I want to also say thank you to
4 Congressman Gene Taylor who is here from the
5 State of Mississippi, and who is actually a
6 graduate of Tulane, even though he has not
7 been here for a while, so, part of the reason
8 we scheduled it here was to make sure he came
9 back and visited his alma mater. And to
10 Congressman Boustany -- Did I get that right,
11 congressman?

12 CONGRESSMAN BOUSTANY:

13 Boustany.

14 SECRETARY SALAZAR:

15 I'm close on it. And then from
16 Louisiana to Congressman Charlie Melancon.

17 CONGRESSMAN MELANCON:

18 Charlie.

19 SECRETARY SALAZAR:

20 Charlie. Okay, Charlie. Thank
21 you, Charlie. Thank you for being here. He
22 and I live in the same complex. The last
23 time I that lived in the same complex with
24 somebody of high power, his name was Barack
25 Obama, now he's President of the United

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1 States. Charlie, there is a great future for
2 you. Congressman Cao, thank you. I know you
3 are newly elected. Thank you for being here
4 today. I look forward to hearing your
5 comments. And then Congressman Bill Cassidy,
6 thank you for being here, as well.

7 Let me say just say what we are doing on
8 these meetings around the country. I had a
9 choice, frankly, after I was sworn in to be
10 Secretary of Interior, after I was confirmed
11 by the Senate, simply to look at the Outer
12 Continental Shelf and essentially stamp it
13 done in terms of maps that had been produced,
14 but I decided I wanted to take another route.
15 That was to get input and comments from the
16 people of the United States of America,
17 especially from the coastal areas that are so
18 affected by the future of the Outer
19 Continental Shelf. When you think about the
20 Department of Interior, the Department of
21 Interior is a Department that is not just a
22 Department to the west, it is not a
23 Department that goes from sea to shining sea,
24 it's a department that stretches out into the
25 oceans of America. And the one point seven

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1 five billion acres that we have in the Outer
2 Continental Shelf have tremendous value to
3 the United States of America for it's
4 ecological values, its recreational values,
5 its commercial values, its oil and gas
6 production, and a whole host of other things.
7 It's very important as we look together as
8 the United States of America on how to plan
9 for the future of the OCS, that we are doing
10 it with the best information, and with the
11 best input we can get from all around the
12 country, and that's why we are here today. I
13 want to also say that as we look at to whole
14 challenge that we face with energy here in
15 the Unites States of America, you have heard
16 this debate raging for a very long time.

17 You heard President Nixon back in the
18 1970s speak about the importance of energy
19 independence, and it was in fact the Nixon
20 Administration that coined the phrase energy
21 independence. You heard President Carter in
22 the late 1970s stand before the nation in a
23 prime time speech that he gave to America in
24 which he said that energy independence was
25 something we needed to embrace with the moral

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1 imperative of war. Well, those lofty,
2 aspirational, heart felt, and authentic
3 statements really have fallen short, because
4 during the '80s and during the '90s, and the
5 beginning of this century America really has
6 slept with respect to its energy agenda, and
7 the consequence of that is that today we are
8 importing somewhere between sixty and seventy
9 percent of our oil on a given month from
10 foreign countries, and we have done a lot of
11 things, that in my view have compromised some
12 very important national values for our
13 country. So, President Obama, as he
14 campaigned to become President of the United
15 States, and as he has given us direction on
16 how we have moved forward with energy has
17 said what he wants us to do. What he has
18 directed me to do is to come up with a
19 comprehensive energy plan for the United
20 States of America. And that comprehensive
21 energy plan is one that we will not fail us
22 this time. It is one that we will get done.
23 And there are imperatives that really drive
24 us this time around to develop a
25 comprehensive energy plan that will work.

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1 Those imperatives had not been there when
2 President Nixon and President Carter uttered
3 their words, but they are there today. And
4 in my view, and in the President's view those
5 imperatives are first economics and job
6 creation here at home.

7 Last year alone when we are looking at
8 those record oil prices, we were sending over
9 seven hundred billion dollars a year to
10 places overseas. That has an economic impact
11 here on America. So, we need to craft an
12 energy future that creates jobs here at home.
13 we have started to do that with the stimulus
14 package in terms of energy creation jobs here
15 at home, and we will continue to do that as
16 we move forward to crafting the comprehensive
17 energy plan.

18 So, economic security is a cornerstone
19 of what we will do at great imperative in our
20 undertaking here.

21 A second is our national security. we,
22 today, are funding both sides of the war on
23 terror when we think about the men and women,
24 the troops we have in places like Iraq and
25 Afghanistan today. They are there in part

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1 because of the oil issues that confront our
2 country, and the importance of us having oil
3 security back here at home.

4 And finally, environmental security. We
5 need to recognize as BP, and Shell, and
6 Exxon, and as well as the scientists of
7 America recognize that global warming is a
8 reality, and it's an issue that we have to
9 address, not only as a country, but we also
10 have to address it globally.

11 From my point of view I think there are
12 four cornerstones to us moving forward to
13 that new energy frontier. The first of those
14 is efficiency. We can do a lot better in
15 terms of how we use our limited oil and gas
16 resources and our energy we waste today. For
17 example, sixty percent of the energy that we
18 consume in our buildings is energy that we
19 waste. We can do a lot better with that.

20 Secondly, we need to move forward with
21 the advanced technologies to make sure that
22 we can fully utilize the resources that we
23 have here at home, and actually use less
24 resources, as well. And those advanced
25 technologies include what we do with clean

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1 coal. We know that we sit on top of huge
2 coal resources in this country, fifty percent
3 of our electricity today comes from coal in
4 the United States, much of it comes from the
5 west. So, there has to be place for coal at
6 the table. We need to recognize that the oil
7 and gas industry has moved fast forward with
8 huge advanced technology efforts that will
9 allow for horizontal and directional
10 drilling, and safety that really was not
11 there thirty years ago.

12 So, technology continues to advance in
13 that direction. We need to put our muscle
14 behind a greater transportation efficiency,
15 as we have done with increased cafe standards
16 for America recently, and we need to figure
17 out ways of doing advanced technology with
18 plug-in hightbred vehicles and other kinds of
19 technologies that are coming along. So,
20 efficiency, and advanced technology.

21 And third, putting our shoulder behind
22 renewable energy is something that is very
23 important. Today, part of the reports that
24 you will hear will be about the potential for
25 renewable energy resources in the Outer

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1 Continental Shelf. Those agendas are
2 important.

3 The representatives from Texas who are
4 here were telling about how Texas has become
5 the number one wind energy producer in the
6 United States of America. I remember in the
7 last several years having several
8 conversations with then President George Bush
9 about the renewable portfolio standard that
10 had been passed in Texas. And recently
11 project proponents of an offshore wind farm
12 came to Washington, D.C. to talk about what
13 they wanted to do with developing the wind
14 resources of the OCS. In New York the
15 governor and others there have decided that
16 they are going to move forward. Senator
17 Landrieu and congressmen with a new renewable
18 portfolio standard that is forty-five percent
19 by the year 2015. That's a lot. I asked
20 them whether they thought it was doable.
21 They think it is doable because they think
22 they can produce thirty percent of their
23 electricity from renewable energy, and then
24 they can save fifteen percent in terms of
25 efficiency major. So we have efficiency to

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1 carve out. So, renewables are big.

2 And finally, conventional oil and gas,
3 and conventional fuels. We know that we will
4 need to depend on conventional fuels. We
5 need to have a strong economy here, and oil
6 and gas, and coal are very much a part of the
7 energy portfolio of America. And we cannot
8 essentially shut down that part of our energy
9 world. So efficiency, advanced technologies,
10 renewables, and conventional development are
11 very critical agendas for all of us.

12 Let me also just say that with respect
13 the OSC we are very focused on making sure
14 that it is a significant component of our
15 comprehensive energy plan. Just on the
16 renewable side we know, for example, in the
17 Atlantic there is an estimated thousand
18 gigawatts of potential development
19 electricity from wind. Here in the Gulf
20 Coast, a lot less, but approximately
21 sixty-seven gigawatts of wind power. But the
22 oil and gas resources of the Gulf Coast are
23 extensive. The Gulf Coast far surpasses the
24 kind of energy that can be produced off of
25 the Atlantic, off of the Pacific, and off

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1 Alaska. The Gulf of Mexico has the most
2 complete infrastructure for oil and gas
3 development of any of the offshore places all
4 around the world. Approximately half of the
5 estimated oil and gas reserves in the coastal
6 areas are located here in the Gulf of Mexico.
7 That's why this area is so important for the
8 energy future of America.

9 Let me finally say that there are some
10 who have said that we are at war with the oil
11 and gas industry, that President Obama and
12 the Secretary of Interior are at war with the
13 oil and gas industry. I would beg to differ,
14 although I know that there are some of you
15 who are here who would say that we are. Let
16 me just say that, yes, we want a balanced
17 approach to how we develop oil and gas so we
18 won't be developing oil and gas everywhere
19 there are places which we don't believe it's
20 appropriate to drill, and places that are
21 sensitive areas in proximity of national
22 parks, for example, are not places where we
23 ought to drill.

24 On the other hand, we are moving forward
25 with a production agenda, just since January

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1 21st when I took the oath of office. Since
2 then we have offered nine hundred
3 eighty-seven leased parcels on over one point
4 three million acres in the western part of
5 the United States for sale. That's one point
6 three million acres. Here on the Gulf Coast
7 two weeks ago I was here where I participated
8 in the lease sale that had over, I think it
9 was thirty-four million acres that we had on
10 the lease sale for lease sale two zero eight.
11 So, we continue to work on a development
12 agenda, as well.

13 Now, what we will do this morning is we
14 will hear from MMS and USGS on their reports.
15 Following that will turn to Senator Landrieu
16 for her comments, and then each member of
17 Congress who is here we'll have up to five
18 minutes to speak. We'll have a short break.
19 At the end of the short break I want to
20 offer the rest of you who are here, no matter
21 what your perspectives are, no matter whether
22 you were absolutely pro drilling everywhere,
23 or whether you want to have no drilling,
24 whatever your perspective might be we are
25 going to give you an opportunity to provide

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1 us with your comments.

2 I am going to ask all of you to fill out
3 their card. This card has names and
4 addresses. You don't have to fill it out in
5 terms of your names and addresses. You can
6 give us your comments. If you give us your
7 comments, and we won't do this anonymously,
8 we need to know where you are coming from, we
9 will include -- with your information on here
10 we will include your comments as part of the
11 record as we move forward with the OCS plan.
12 And also what I will do, it's from these
13 cards that I will go ahead and randomly call
14 on people to come up and give us their
15 comments, and to give us their questions.

16 So, with that, what I would like to do
17 is I am blessed to run a department of
18 sixty-seven thousand employees. They work
19 very, very hard. When I asked MMS and USGS
20 to come up with a report in forty-five days
21 that would synthesize what we knew about
22 renewables and oil and gas in the offshore,
23 they said they could do it, and they have
24 done it. And Brenda Pierce and Bob Labelle,
25 Brenda is with USGS, Bob is with Minerals

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1 Management Service, they have worked
2 tirelessly on putting this report together
3 over the last couple months. Let's give them
4 a round of applause. I will turn the
5 remainder of this portion of the program over
6 to them.

7 (APPLAUSE)

8 MR. BOB LABELLE:

9 Thank you, Mr. Secretary. Good
10 morning. It's my pleasure to be here
11 representing MMS and to have worked with
12 Brenda Pierce from USGS on this very
13 important report. I would like to say a few
14 words about renewal energy, then turn it over
15 to Brenda who will talk to you about oil and
16 gas resources. Then I'm coming back up to
17 mention and discuss environmental sensitive
18 areas in the OSC.

19 When we speak about renewable energy,
20 for purposes of this discussion, and in the
21 report, we are talking about wind, wave, and
22 ocean current energy offshore in federal
23 waters out beyond three miles. And the
24 report is available on the web. I hope you
25 do have a chance to look at it. There is a

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1 lot of good information in there that we
2 tried to pull together as thoroughly as
3 possible.

4 This is a beautiful slide showing the
5 country at night and the use of electricity.
6 If you notice, along the coast it's really
7 concentrated in the major metropolitan areas
8 and, of course, our use of energy is growing.
9 Corresponding to the lights you saw, here is
10 a population density map. And the red is
11 individuals per square mile greater than one
12 thousand. You can see the correspondence
13 between the lights and the people. And then
14 on the next slide, this is the offshore wind
15 speed -- wind power classification. These
16 are what they call wind power classes ranging
17 from fair, which is about fourteen to fifteen
18 miles per hour of wind, to superb in the
19 blue. The red and blue is outstanding, up to
20 twenty to twenty-five miles per hour. Of
21 course, you will see in the Great Plains in
22 the middle of the country there is an
23 excellent resource, but notice where the
24 really good resources are, offshore, and how
25 it corresponds to the population centers.

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1 Just to have a couple of slides on
2 terminology, when you are dealing with large
3 energy sources and discussions about power
4 and resources, you will often hear terms like
5 megawatt and gigawatt, and sometimes
6 terawatts, but what we will quickly do here
7 is just bring it back to the household level.
8 when you look at your electric bill it's in
9 kilowatts. So, a thousand kilowatts is a
10 megawatt, one megawatt. A thousand of those
11 is a gigawatt. And to put it in perspective,
12 one gigawatt is equal to about the power
13 output of three mid-sized coal plants,
14 electrical power plants.

15 Now, the average home uses about ten
16 thousand kilowatts hours per year for power.
17 So, when we are talking about gigawatts of
18 wind energy, one gigawatt of energy could
19 power about two hundred and twenty-five
20 thousand to three hundred thousand average
21 homes. I hope that puts it in perspective a
22 little. Most of our wind information and
23 renewable information was provided by the
24 Department of Energy. The National Renewable
25 -- NREL -- Energy Labs. So we thank them for

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1 this information. I know you can't read the
2 bars in the middle, but we have a follow-up
3 slide. If you look along the coast lines in
4 the national picture, this is by depth. So,
5 the first color to the left is zero to thirty
6 meters of water depth. That's generally
7 considered to be developable with present day
8 technology for offshore wind. It's happening
9 in Europe and the UK, et cetera. All the way
10 over on the right, the red is greater than
11 nine hundred meters of depth. If you look at
12 the chart on the bottom you will see the Gulf
13 is right on the bottom there on the chart.
14 And there is a total of sixty-seven gigawatts
15 in the deeper waters. I should mention that
16 there are those in this area that feel those
17 wind estimates are pessimistic. The DOE is
18 in fact updating these estimates. I think
19 that report will come out sometime this year.
20 So, this is a blow-up for the Gulf of Mexico
21 wind resources area offshore. You see the
22 little green crescent shape down there off of
23 Texas. But from zero to thirty meters right
24 now it looks like the wind classes are not
25 sufficient for commercial development. If

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1 you look at the thirty meters and deeper
2 resource, it does total to the sixty-seven
3 gigawatts I mentioned. On this slide, that
4 is postulating that if that -- if forty
5 percent, if you assume that forty percent of
6 that sixty-seven gigawatts were developed it
7 would be about twenty-seven gigawatts of
8 power. That could power about seven point
9 seven million homes, on average. I also
10 should mention that on the coastal states
11 when we showed the first map, that about
12 seventy-eight percent of total electric use
13 is attributed to those coastal states.

14 I'm now going to turn it over to Brenda
15 and she will talk to you about oil and gas
16 resources.

17 MS. BRENDA PIERCE:

18 Thank you, Bob. Thank you all
19 for coming. The oil and gas resources, as
20 you heard the Secretary say, are outstanding
21 in the OCS, and particularly in the Gulf of
22 Mexico. These areas are the MMS planning
23 areas, so the whole Outer Continental Shelf
24 is broken down into planning areas. That's
25 where the resources are shown. It's

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1 important to illustrate the Secretary's
2 point, that after more than fifty years of
3 exploration and development there are still
4 seventy percent of the total resource yet to
5 be discovered. So, there is still a
6 tremendous amount of oil and gas resource out
7 there, even after fifty years of production
8 and development. So, this is the Outer
9 Continental Shelf of the entire United States
10 broken out by -- I'm sorry. The pointer
11 isn't working. On the left is the oil
12 graphic, and on the right is the gas. If you
13 look at the bottom of each graphic, Alaska is
14 on the left going to the Atlantic to the Gulf
15 of Mexico to the Pacific. You will see for
16 both oil and gas, which is the third bar from
17 the left, the Gulf of Mexico, there are
18 tremendous resources out there still to be
19 discovered. I should say these are
20 undiscovered, but technically recoverable
21 resources.

22 So, technically recoverable means that
23 these are technically recoverable oil and gas
24 resources with today's current technology and
25 industry practice. And yet these are

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1 undiscovered. So, they are not what is
2 currently being produced. It's not in fields
3 that are currently produced. These are
4 estimates of what could be produced in the
5 future, so, what is yet to be discovered, yet
6 to be added to the proven reserves. You will
7 see next in line is Alaska, also tremendous
8 resources, but there are still resources in
9 the Atlantic and the Pacific. These are the
10 estimates from MMS. If we then compare,
11 again, like Bob said, spending a moment on
12 terminology, because these are important to
13 put in perspective. This is comparing the
14 annual U.S. oil production with the reserves
15 and resources. If we start on the far
16 right-hand graph bar, these are the
17 technically recoverable resource estimates
18 for MMS from the whole Outer Continental
19 Shelf, not just the Gulf of Mexico, so an
20 average of eighty-six billion barrels of
21 technically recoverable, but undiscovered oil
22 resources in the U.S. Outer Continental
23 Shelf. But a smaller portion of that is
24 economically recoverable. So, these
25 technically recoverables are technically

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1 recoverable, but they or not being produced.
2 They may or may not be economic. There are a
3 lot of factors that go into that, markets,
4 technology, all of those types of things. If
5 you move one bar to the left we have given a
6 range of prices. There is the mid range.
7 There is estimated to be almost sixty-five
8 billion barrels of economically recoverable
9 at the mid price range. Then a much smaller
10 subset of that is the second bar of reserves.
11 Reserves is that subset portion of resources
12 that is currently being produced, or is
13 currently in fields being produced. So, that
14 is what is economical now and being produced.
15 So, the Outer Continental Shelf, there
16 is about fifteen billion barrels of oil being
17 produced, and in fields that will continue to
18 be produced. Then, the far lefthand corner
19 is one years worth of U.S. annual oil
20 production, so about one point eight five
21 billion barrels of oil. So each is a subset
22 of each other, and the same for gas. Far
23 right-hand corner there is a tremendous
24 amount of technically recoverable gas in the
25 Outer Continental Shelf, almost four hundred

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1 and twenty trillion cubic feet. A smaller
2 subset of that is economically recoverable at
3 a range of prices. A smaller subset of that
4 is now currently called reserves, and is in
5 producing fields, or soon to be produced.

6 And then U.S. production last year was
7 twenty trillion cubic feet of gas, domestic
8 production. So, turning now to the Gulf of
9 Mexico, and the report just covers the
10 eastern Gulf of Mexico, because that's the
11 new planning area that is being considered,
12 and is open for public comment, because the
13 western and central are already open. If we
14 look at just the eastern Gulf of Mexico
15 planning area, this is the outline of that.
16 Then, if we look at this graph, this is all
17 of the data that MMS has to look at and to
18 evaluate to get those oil and gas estimates.
19 The round hole, the round dots on that are
20 actually exploratory wells where we actually
21 have data and information in the subsurface
22 under the ocean bottom. So, we have rock
23 data. We have real data. The lines on that
24 graph, the gray lines are seismic data.
25 That is a way to interpret, a way to image

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1 the subsurface. So, combining those data we
2 can look at and interpret what is under the
3 ocean floor. That is how we get oil and gas
4 resource estimates.

5 So, you can see there is quite a bit of
6 data out there. So, then looking at, and
7 taking that data and then doing estimates of
8 the oil and gas resources in the eastern Gulf
9 of Mexico, the OCS area exactly, once again,
10 oil is on the left and gas is on the right.
11 we look at the right-hand bar of each of
12 those, and those are technically recoverable
13 resource estimates. The bar is the average.
14 we can see that there is almost four billion
15 barrels of oil estimated in the eastern Gulf
16 of Mexico. Oil and gas resource estimates
17 are just that. They are just estimates. And
18 because there is uncertainty, because we
19 don't know until we drill, we give them as a
20 range of estimates. That is what is across
21 the bottom. There is a very high
22 probability. There is at least two point
23 eight billion barrels of oil resources in the
24 eastern Gulf of Mexico, and there is a lower
25 probability that there is five point five

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1 billion barrels. There is an average
2 probability, that is on the bar graph, which
3 is almost four billion barrels. Again, a
4 subset of that have is economically
5 recoverable at a mid price range. The same
6 for gas. The average gas estimate of
7 undiscovered gas resources in the eastern
8 Gulf of Mexico is a little over twenty
9 trillion cubic feet of gas. There is a very
10 high probability that is at least twenty --
11 I'm sorry. -- eighteen trillion cubic feet,
12 and a lower probability that is twenty-six.

13 So, there is a lot of resource potential
14 out there. But there are some data gaps. We
15 were asked to identify those as well. New
16 seismic and related data will probably be
17 needed to look at the eastern Gulf of Mexico
18 by the oil and gas industry should they be
19 given permission for leasing. So, as part of
20 their pre-leasing evaluation they would
21 probably want to do some more of this seismic
22 and related data acquisition. Prior to
23 acquisition -- this type of geology and
24 geophysical data, the National Environment
25 Policy Act, the NEPA, and other environmental

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1 analysis would be required to propose new
2 program areas. I can't over emphasize enough
3 of these environmental concerns.

4 That leads into the next part of the
5 report and the presentation. We were asked
6 to look at environmental sensitivities, and
7 these are important regardless of whether you
8 develop or not develop, and regardless of the
9 type of development, whether it be oil and
10 gas, or renewable.

11 MR. BOB LABELLE:

12 Thank you, Brenda. Fully a
13 third of this report is devoted to
14 environmental -- looking at environmentally
15 sensitive areas, and postulating possible
16 impact producing factors from both oil and
17 gas, and renewable development offshore. Of
18 course, what our overriding concern is here
19 in the Department is the stewardship, the
20 safe development of these available resources
21 for the nation. So, we are balancing several
22 important things, like the energy needs with
23 the environmental sensitivity, and allowing,
24 and being good shepards of multiple uses of
25 offshore lands.

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1 Now, there is an overriding challenge
2 that is certainly of great import these days,
3 and that is climate change. We realize that
4 the report needed to mention that this is an
5 overriding concern. It's not something that
6 we have measurements on today that we can
7 share with you. But, there are at least
8 three aspects in terms of forecasting,
9 planning for, and trying to mitigate the
10 effects of climate change. First, the
11 possible effects on living resources and
12 their habitats from changes in climate.
13 Secondly, changes in the actual renewable
14 energy resources themselves. The frequency,
15 and strengths, and location of wind, and
16 ocean currents, wave frequency, et cetera.
17 That is unknown. And, thirdly, the changes,
18 and the cautions, and the extra precautions
19 we would need to take for offshore structures
20 that are trying to harvest the energy,
21 whether it's oil and gas, or renewable. For
22 example, storms, sea level changes, different
23 wave heights, et cetera.

24 So, climate change is something that the
25 Department is working on several fronts. We

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1 certainly kept it in mind as we did this
2 report. The reports itself has a list of
3 environmental resources ranging from the sea
4 floor in the hard bottom areas there, to
5 coastal areas with sensitive environmental
6 habitats, the issues of wetlands loss,
7 onshore infrastructure, whether it's present
8 or not in the various areas around the
9 country. In fisheries space use conflicts,
10 seismic surveys, oil spills, et cetera,
11 artificial reef effects with marine mammals
12 and turtles.

13 The first one we have got listed on this
14 chart is noise in the sea and, of course,
15 there is a lot of concern, and many studies
16 underway to help better quantify the affects
17 of human induced noise in the sea, and how it
18 may affect marine mammals, and turtles, and
19 fisheries. So, the other one in the eastern
20 Gulf here that is certainly important to
21 folks is tourism, the possible affect of
22 either sight lines or other impacts on
23 putting structures near tourist areas, and
24 affecting the local economies, possibly.
25 Migratory birds, the eastern Gulf is a key

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1 area for many migratory birds, and with
2 regards to renewable offshore structures
3 that's one of the concerns.

4 Of course, oil spills are always a
5 paramount concern with folks. We used the
6 latest information that we could find in the
7 report. The offshore oil and gas industry
8 has a very good record on spills. You can
9 read more about it in the report, but we
10 fully recognize that oil in the sea from
11 anywhere, whether it's a tanker bringing in
12 imported oil, or a pipeline leak is a major
13 concern to the public, and also to the folks
14 in the industry, and also the folks here at
15 MMS and USGS and DOI. So, we also talk a
16 little bit about the social economic impacts
17 of the activities offshore, and I encourage
18 you to read the report and please give us
19 your input on what you think, and what you
20 think we may have missed, or not stressed
21 enough. That is all I have. Thank you.

22 SECRETARY SALAZAR:

23 Thank you, very much, Bob and
24 Brenda. Give them a round of applause. They
25 worked very hard on this in trying a balanced

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1 point view. Thank you.

2 (APPLAUSE)

3 SECRETARY SALAZAR:

4 Thank you, Bob. And, Senator
5 Mary Landrieu, you can speak from there, or
6 come up here and speak. Whatever your choice
7 is. Senator Mary Landrieu.

8 SENATOR LANDRIEU:

9 Thank you, Mr. Secretary. I am
10 comfortable here. Let me welcome everyone to
11 this hearing, and particularly, Mr.
12 Secretary, to thank you. This is your second
13 trip to the region in a very short period of
14 time. Thank you for your attention to this
15 important matter, and for hosting one of the
16 four regional conferences right here in the
17 Gulf Coast in Louisiana.

18 I would like to particularly welcome
19 our Mississippi, and Texas, and Alabama
20 friends, because we share the coast with them
21 and, as you know, we work as a team in
22 Washington, and I cross party lines when
23 possible to build a better energy -- a vision
24 for the country. I am going to try to be
25 brief, because I know we have a great

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1 many things to share with you, Mr. Secretary.

2 First of all let me begin by saying that
3 I do share, and I think many people here,
4 your vision for energy security for our
5 country. We would like to reach for energy
6 independence, but we are certain we can
7 achieve energy security. But that actually
8 begins, in our view, by supporting the
9 domestic oil and gas industry. This industry
10 has changed and developed rapidly and
11 significantly in terms of becoming more
12 environmentally sensitive. I was in actually
13 Charles Boustany and Charlie Melancon's
14 district yesterday in south Louisiana touring
15 some of our front line oil and gas
16 independent companies to relate to you that
17 it really looks more like the space industry
18 than the old fashioned, you know, rigs and
19 derricks that people are sometimes more
20 familiar with when a fixture pops up on their
21 television screen from their living room.

22 The technology and the breadth and depth
23 of this technology that allows us to find
24 resources ten thousand feet below the water
25 level, and to find it safely and securely to

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1 deliver to American homes and businesses, the
2 energy that we need to stay competitive is
3 truly breath taking. I come today to plead
4 and to urge you to look very hard at the
5 proposed tax changes and tax increases that
6 would diminish the muscle and power of this
7 industry that has served this country so well
8 for so long. We helped to win the second
9 world war. We helped to fuel the industrial
10 revolution. This oil and gas industry with
11 the right environmental safeguards and
12 regulations can help lay the bridge that is
13 important to a more secure energy future.

14 I am going to just mention very briefly
15 that intangible drilling and developmental
16 costs have been in effect since 1913. Now is
17 not the time to take them away. The
18 percentage depreciation has been in effect
19 since 1926. Geological and geophysical
20 amortization helps us to explore for new
21 natural gas resources. The marginal well tax
22 credit gives us a safety net when prices fall
23 low. And, as you know, these prices fluxuate
24 wildly. Just for another statement to the
25 record, in addition the enhanced oil recovery

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1 tax credit is important. There were others,
2 but I will submit them for the record. One
3 of the things I wanted to stress this morning
4 is it's very important, I think, for our
5 delegations to continue to say this. There
6 are large differences between large
7 integrated oil and gas corporations and our
8 hundreds and thousands of small independent
9 exploration and productions companies. Large
10 corporations that we are familiar with, Exxon
11 and Chevron and Shell, who is here today, and
12 this is not at all a slight to them, but they
13 raise their capital through public offerings
14 spreading the risk among many shareholders.
15 Our thousands of independents that are in all
16 of our districts through Texas, Mississippi,
17 Alabama, and Louisiana have direct investment
18 by their owners who invest, Mr. Secretary,
19 large sums of personal money, taking on
20 personal risks. As a result, it is clear
21 that the capacity to acquire large capital by
22 corporations is much greater and the personal
23 risk is lower than for your independents.

24 The final thing I want to say is small
25 independents, they employ a tremendous number

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1 of people. Independents produce, I think,
2 almost eighty percent of domestic gas. They
3 virtually reinvest one hundred percent of
4 their money right here in America. So, as we
5 search for security, as we search for
6 independence, and as this President looks to
7 creates jobs in America, let's start with
8 supporting the industry that is present, in
9 large measure, in this room.

10 The second point I want to say is that
11 we need to share the tax revenues that are
12 generated from this industry fairly with the
13 states, coastal states. As you know, you
14 represent an interior state, Colorado, or for
15 many years you did as a senator. Since 1927
16 interior states have received fifty percent
17 of the tax revenues generated from their
18 natural resource production, whether it's oil
19 and gas, or others. Coastal states have
20 never received that same treatment. We have
21 passed with your help a landmark piece of
22 legislation that gives now the coastal
23 states, particularly the Gulf Coast states,
24 Texas, Alabama, Mississippi, and Louisiana
25 thirty-seven and a half percent of those

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1 revenues in funds. A great vision of yours,
2 and mine, and that some of us share is the
3 full funding of the Land and Water
4 Conservation Fund. We think that to be good
5 stewards of the great bounty that God has
6 given us, taking tax revenues that are
7 generated from an industry, reinvesting them
8 back into preserving our coast, investing in
9 smart energy infrastructure for the future,
10 and building a reliable stream of revenue for
11 the land and water conservation is what we as
12 leaders should do. I know you share that
13 vision. So, maintaining and strengthening
14 the industry, not weakening it, sharing those
15 revenues with local government, and then, so
16 we can take that money for Louisiana and
17 spend it to restore this great coast to
18 protect our people from flooding that almost
19 destroyed the city that we are sitting in
20 right now, and had great destruction
21 throughout southwest Louisiana, as well as
22 the region in St. Bernard, we want to build
23 the levees and coastal protection, restoring
24 our wetlands that will protect our people,
25 and let us continue to serve this nation, as

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1 we have so well, for the last almost hundred
2 years. Thank you, Mr. Secretary.

3 (APPLAUSE)

4 SECRETARY SALAZAR:

5 Thank you, very much, Senator
6 Landrieu. Congressman Taylor from
7 Mississippi. Thank you for being here.

8 CONGRESSMAN TAYLOR:

9 Thank you, Mr. Secretary, for
10 being down here. I want to apologize. I
11 thought I would be sitting out there in the
12 crowd, rather being up here. So, please,
13 don't take offense by my Mississippi garb.

14 SENATOR LANDRIEU:

15 This is the working coast.

16 CONGRESSMAN TAYLOR:

17 Again, thank you for being
18 here. I want to follow up on what Senator
19 Landrieu had to say. Our barrier islands off
20 the coast of Mississippi are federally owned.
21 They are every bit as important to our
22 hurricane protection as the Louisiana coastal
23 marshes are that you will hear about from our
24 colleagues. They are washing away. They are
25 a part of your jurisdiction, or a part of the

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1 Interior Department's Gulf Island National
2 Seashore. We are going to need close to a
3 billion dollars to restore them. That's a
4 heck of a lot of money. Again, that money is
5 going to be generated in the Gulf of Mexico.
6 I think it would make perfect sense that
7 those funds that Ms. Landrieu and others have
8 worked so hard to have directed towards
9 coastal restoration projects would go towards
10 restoring these federally owned islands. All
11 but one is federally owned. The other one is
12 half federally owned. We have been working,
13 and we would hope your Department would work
14 with us with a willing land owner to see that
15 the remainder of it goes into the Gulf Island
16 National Seashore.

17 Dr. Walker is out there. He will tell
18 you how important the proper mix of fresh and
19 saltwater in the Mississippi Sound is to our
20 coastal fisheries. And with the loss of the
21 barrier islands it not only endangers
22 Mississippi to worse storms in the future,
23 but is endangering our habitat for things
24 like oyster production, shrimp production.
25 So, it does a heck of a lot of good.

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1 Lastly, other agencies, in particular
2 the Corps of Engineers, we have not
3 historically had the proper relationship
4 between your Department and the Corps of
5 Engineers. We have two federally maintained
6 channels. With the third set of locks being
7 put in at the Panama Canal, almost every
8 channel in America is going to have to get to
9 fifty foot of depth, which is going to mean a
10 great deal of dredge material will be
11 generated. One of the things I think we as a
12 nation can wisely do is when it works, take
13 the dredge material from these federally
14 maintained channels and use it to restore
15 the federally owned islands that are out
16 there for everyone's best use. Traditionally
17 that has not happened. In fact, the two
18 agencies have worked at opposite ends in the
19 past. Again, if we are about doing things
20 better, I think this is the time to rethink
21 that, and to try to find a better cooperation
22 between the Army Corps of Engineers and your
23 agency to restore our barrier islands.

24 Lastly, again, one of the things that
25 the Corps has looked at is voluntary buyouts

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1 of low lying areas of people who have
2 repetitive losses in hurricanes. Again,
3 another very good use of the funds that are
4 being generated in the Gulf would be for
5 those -- again, I want to stress voluntary
6 buyout of people who have just decided they
7 have had enough, and maybe they don't want to
8 lose the house for the second or third time,
9 and they are willing to move someplace else,
10 but they want to be fairly compensated for
11 their property.

12 Again, thank you for coming down and
13 listening. I serve on the Armed Services
14 Committee. I am very much aware that in
15 world war II troops used about a gallon and a
16 half of fuel per GI per day. Today it is
17 over twenty gallons of fuel per GI per day.
18 So your steps to work towards our energy
19 independence are very much appreciated on my
20 part, not only for the sake of the citizens
21 at home, but for the troops in the world's
22 greatest military who need that fuel to do
23 their jobs. Thank you for coming down.

24 SECRETARY SALAZAR:

25 Thank you, congressman. Thank

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1 you very much.

2 (APPLAUSE)

3 SECRETARY SALAZAR:

4 Congressman.

5 CONGRESSMAN BOUSTANY:

6 Thank you, Mr. Secretary.

7 Thank you for coming to New Orleans. I want
8 to thank everybody for being here today. I
9 am Charles Boustany. I represent the
10 southwest coastal areas of Louisiana in the
11 United States Congress. Energy
12 infrastructure is a big part of my district.
13 What is obvious to me is that the United
14 States has never had a truly comprehensive
15 strategic energy policy. Now is the time.
16 It needs to be based on sound science, solid
17 economics, and a realistic assessment of our
18 technology and our capabilities.

19 We also know in southwest Louisiana that
20 good energy policy and good environmental
21 policy can go hand-in-hand together. Now, I
22 want to point out one thing that really
23 disturbs me, and that is the recent budget
24 proposal, and these tax changes that are
25 being proposed by the Administration. Many

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1 of these are tax provisions that have been in
2 place since the very beginning of the
3 twentieth century that allowed us to spur the
4 development of the oil and gas industry. If
5 these tax increases come into play, we are
6 talking about a thirty-one billion dollar tax
7 increase on the oil and gas industry at a
8 time when we need this industry to be helping
9 out with our energy needs. A comprehensive
10 energy policy involves responsible and
11 environmentally sound development of our OCS
12 and our oil and gas resources with a good
13 transition strategy to the next energy
14 economy. That transition strategy is going
15 to include development of natural gas.

16 Now, one third of the natural gas used
17 in the United States today comes from within
18 rigs drilled in the last two years. And the
19 rig count is currently down by fifty percent.
20 These policies are going to make things
21 worse. We need a good transition strategy
22 while the next set of technologies are made
23 available with all the renewable alternative
24 bio-fuels. This is critical. The bottom
25 line is this is about jobs. I want to point

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1 out something. We have tens of thousands of
2 jobs here on the Gulf Coast, probably
3 hundreds of thousands of jobs when it's
4 really, totally added up. We are not talking
5 about just killing exploration and production
6 jobs with these policies, we are also talking
7 about welders, and pipe fitters, and
8 painters, and surveyors. I mean we are
9 talking about blue collar jobs and white
10 collar jobs in the face of the worst
11 recession we have ever had. My position is
12 let's develop a comprehensive energy
13 strategy, a comprehensive energy policy for
14 once, and let's really make this work. We
15 can develop our Outer Continental Shelf. We
16 can do it in a very responsible way both
17 economically and from an environmental
18 standpoint. The technology is there.

19 One last point I want to make is that we
20 see a lot of information about what is really
21 available on the Outer Continental Shelf.
22 Everybody points to the Gulf Coast as being
23 the most prominent area. I would submit that
24 much of the data up there is not based on
25 real, modern, sound science. These are still

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1 estimates. We have not had real, new
2 surveying, seismic surveying done with the
3 latest technology to assess these areas. So,
4 we don't know what is really available off
5 the East Coast and West Coast today, and in
6 the eastern Gulf. We need to take a very
7 good strategic look at this, and at least let
8 the American people know what the accurate
9 numbers are. Because, again, as we develop a
10 sound comprehensive energy policy, which is
11 going to include oil and gas development,
12 nuclear power, coal, and clean coal
13 technologies, as well as the alternatives in
14 renewables it's going to be all about jobs,
15 and getting the American economy going again.
16 So, I say let's look forward in a positive
17 way, and develop this comprehensive energy
18 strategy, let's develop this energy economy
19 which will be vibrant and is the key to
20 American competitiveness going into the
21 future. I do believe American individual
22 genius will solve this.

23 Thank you, Mr. Secretary. I appreciate
24 your being here.

25 (APPLAUSE)

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1 SECRETARY SALAZAR:

2 Thank you, congressman. Thank
3 you very much.

4 (APPLAUSE)

5 SECRETARY SALAZAR:

6 Congressman Melancon.

7 CONGRESSMAN MELANCON:

8 Thank you, Mr. Secretary. I am
9 going to try to help us be politically
10 correct here today. First, Gene Taylor I am
11 not sure is happy that you let the president
12 or campus security know that he is back on
13 campus. I think there are some outstanding
14 tickets from when he was in college here.

15 CONGRESSMAN TAYLOR:

16 They want their diploma back.

17 CONGRESSMAN MELANCON:

18 Additionally, tied as closely
19 as he is to his constituency, I don't think
20 they ever knew he was smart enough to come to
21 Tulane. I am just joking, and you know that.

22 CONGRESSMAN CAO:

23 He is a brave man.

24 CONGRESSMAN MELANCON:

25 We are good friends. That's

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1 the nice part. When you come back on the
2 more often trips that we hope that you will
3 come on, down the bayou from where I live,
4 it's Melancon. Up the bayou and on the
5 (inaudible) area, it's Melancon. In Baton
6 Rouge, it's Melancon. In Washington, it is
7 Charlie.

8 SECRETARY SALAZAR:

9 We are in Washington. Charlie
10 it will be.

11 CONGRESSMAN MELANCON:

12 My office is going to submit a
13 written statement. I will not get into a
14 whole lot of detail. As we move into this
15 era, which Charlie and everyone else has
16 mentioned, the hopes for an energy policy
17 that this country has long needed and I think
18 desired, I have told some of my friends that
19 are up in the northeast sector of the country
20 that I don't think understand the oil and gas
21 industry, much less the offshore oil and gas
22 industry, don't let me find the valve and cut
23 it off the middle of winter. Then you will
24 understand how important Louisiana and the
25 Gulf Coast is to areas of this country. It's

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1 not anything that I would do, but it is a
2 nice taunt when they are railing against big
3 oil, as they have a tendency to do.

4 Mary pointed out the difference between
5 what people perceive, the Exxons, the Mobils,
6 no offense to those companies, and our
7 independent producers. I think there is a
8 lack of understanding sometimes in the
9 Congress, and maybe sometimes in my own party
10 that needs to be brought to maybe a fuller
11 light so that there is a better understanding
12 of what we do, and why we do it, and why we
13 are important to this country. why I support
14 the move towards green energy and renewable
15 energy, particularly since I come from the
16 sugar cane area, and I would like to see
17 cellulosic and ethanol made from sugar cane
18 to help those guys.

19 I also represent the Gulf Coast.
20 Charlie has got southwest Louisiana. I have
21 what is referred to as the south central and
22 southeast Louisiana coast line. So, we
23 represent quite a large number of independent
24 energy producers, as well as the service
25 industry that services offshore and the land

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1 based energy producers. I was very thankful
2 for the Administration's help and that of
3 Chairman Spratt during the budget discussions
4 and mark-up to have gotten the tax on the oil
5 and gas industry removed at a time when the
6 price is low, at a time when we don't need to
7 be putting burdensome taxes on companies that
8 produce and provide good jobs, and produce a
9 product that is all important to this
10 country's independence. It was the wrong
11 thing to do. The White House, and the
12 leadership of the house in that effort
13 agreed, and we are working toward trying to
14 solve the other financial problems, but not
15 on the back of the oil and gas industry.

16 we have a working coast. We don't have
17 condos along our coast, but we have some
18 really good fishing in those man-made reefs
19 out there that are called oil rigs. We have
20 probably some of the best fishing, and as I
21 tell my friends in Florida, you ought to try
22 it. We don't fish, we catch here.

23 You know, in closing, I hope that this
24 energy policy does not exclude any aspect of
25 energy needs for this country. We need to

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1 understand that as we move into this next era
2 in history that there will always be the need
3 for oil and gas. I look at the solar and the
4 wind, and the green energies as a supplement
5 to the fossil fuels, as a supplement to the
6 nuclear energy power that would give us some
7 really clean air and reduce emissions. So,
8 there will always be the need, there will
9 always be the desire. It's about jobs. It's
10 about efficiency. And, I think, most of all
11 it's about independence for this country, and
12 political, and more so the military strength
13 with knowing we can produce everything that
14 we need in this country without depending on
15 the Middle East or South American countries
16 that would hold us hostage in tough times. I
17 hope that we will stay open minded and
18 produce a policy that works well for all of
19 America. Thank you for being here, Mr.
20 Secretary. We truly appreciate it.

21 SECRETARY SALAZAR:

22 Thank you, very much, Charlie.

23 (APPLAUSE)

24 SECRETARY SALAZAR:

25 Congressman Cao.

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1 CONGRESSMAN CAO:

2 First of all I would like to
3 thank you, Mr. Secretary, for holding this
4 meeting, and I would like to thank my
5 colleagues in the Congress for being here,
6 and thank them for there support. When you
7 talk about Louisiana there are certain things
8 that come to mind crawfish, oil, et cetera.
9 we now have approximately two hundred and
10 twenty thousand wells in the State of
11 Louisiana, but I believe that supporting the
12 energy industry is not sufficient by itself.
13 we have to work to find creative solutions to
14 our energy needs while balancing them against
15 environmental management concerns.

16 You have seen how Hurricane Katrina
17 devastated the great city of New Orleans, and
18 the level of devastation correlates with the
19 level of coastal erosion. Four years after
20 Katrina, our people continues to suffer
21 because of the slow pace of recovery. Four
22 years after Katrina we still have
23 deficiencies in health-care, in education, in
24 criminal justice, and in economic
25 development. Keeping economic development in

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1 mind, obviously the United States energy
2 supply has been made up largely of hydro
3 carbon fuels for much of the last century.
4 we need to pursue alternative fuel in the
5 future, but we need to find ways presently to
6 manage that transition.

7 So, I believe that there is still a need
8 for the oil and gas industry to supply our
9 current energy needs. The Gulf has been
10 important to domestic oil and gas supply.
11 And if the Outer Continental Shelf drilling
12 moratorium was lifted its significance would
13 increase. According to the American Energy
14 Alliance lifting the band on energy
15 development on the OCS would generate one
16 point two million jobs annually across the
17 country, eight trillion dollars in economic
18 output to the GDP, two point two trillion in
19 total tax receipts, and seventy billion
20 dollars in additional wages each year. So,
21 if we take these numbers in aggregate, these
22 would be more than many stimulus packages
23 combined. But, again, it has to be executed
24 carefully with concerns about the environment
25 in mind. With offshore drilling there is a

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1 risk of accidents and spills, but there is
2 also the possibility of habitat destruction
3 in some areas, and negative impacts on marine
4 life. There are eighty-three thousand miles
5 of oil and gas pipelines running through our
6 state, those pipelines have been blamed for
7 contributing to coastal erosion, and
8 saltwater intrusion issues in Louisiana.

9 So, I ask, Mr. Secretary, that as we go
10 forward it is important for leaders to work
11 with oil industry companies to help them to
12 continue their track record of environmental
13 compliance. With the right policies we can
14 reap the benefits of good environmental
15 stewardship along with economic benefits of
16 energy exploration and innovation. With that
17 I would like to thank you again
18 for being here. And I would like to thank
19 you, my colleagues, for their support.

20 Thank you, very much.

21 SECRETARY SALAZAR:

22 Thank you, very much

23 Congressman Cao.

24 (APPLAUSE)

25 SECRETARY SALAZAR:

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1 Congressman Cassidy.

2 CONGRESSMAN CASSIDY:

3 Thank you, Mr. Secretary. I am
4 from the Baton Rouge area which is not on the
5 coast, but this my state, and this is of
6 incredible concern to us. So, I will echo
7 some of the comments of my colleagues.

8 First, taxes, I have read recently that
9 for every megawatt produced by wind power
10 there is a twenty-five dollar per megawatt
11 subsidy. And for every megawatt from natural
12 gas it's about sixty cents. So, although it
13 may look like there is a huge subsidy going
14 to production, relative to our alternative
15 energy it is a fraction. So, one, I would
16 just say this. I would like there to be some
17 push back on the ideas that there is some
18 greater subsidy for oil and gas than there is
19 for the renewables.

20 I testified -- Also to echo a comment, I
21 testified recently at the Budget Committee,
22 and I put up an amendment suggesting that
23 these taxes not be implemented if they were
24 going to cost domestic jobs or increase
25 energy dependence upon foreign sources. One

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1 of my colleagues, no offense, Charlie, a
2 Democrat, seemed to suggest that our rig
3 workers were all Exxon, Mobil CEOs. I want
4 to point out that the rig workers, the pipe
5 fitters, the et cetera make sixty to a
6 hundred thousand dollars a year with
7 overtime, have goods benefits, but don't have
8 necessarily a college education.

9 So, for an Administration which is
10 rightfully concerned about domestic jobs,
11 domestic energy by definition is domestic.
12 And the boat builders and pipe fitters and
13 welders can not be moved overseas. I want to
14 make a plea for the jobs of our American
15 people.

16 In terms of the boat building, folks
17 don't understand just how far this emanates
18 out. I learned today that Lafourche Parish,
19 that is a county in Colorado, Lafourche has
20 the lowest unemployment rate in the United
21 States. These are great jobs with benefits.
22 The lowest unemployment in the United States
23 because of the boat building associated with
24 the servicing of the offshore rigs.

25 I'm on the Natural Resources Committee

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1 in Congress. I am sitting there thinking,
2 wow, these are great jobs. How come we are
3 not all on board with this. One thing I hear
4 is the environmental concerns. I would like
5 to make a couple of points. What Bob talked
6 about in terms of tanker accidents is tanker
7 accidents. Less than two percent of the oil
8 spills offshore are from rigs. Sixty percent
9 is from seepage just out of the ocean floor.
10 And I guess the rest is tankers.

11 So, if you will, developing our rigs has
12 potential to decrease the number of tanker
13 miles which will decrease the spillage.
14 Secondly, there is data presented that when
15 you take oil out from underground, you
16 actually decrease seepage. That makes sense
17 to me in terms of physics, because you are
18 decreasing the pressure within a confined
19 cavern. So you are going to decrease
20 seepage by your exploration. It goes against
21 the grain, but paradoxically offshore
22 exploration can be pro-environmental policy.

23 Next, I want to point that there is a
24 great concern about fisheries, again, I think
25 Bob mentioned that. Louisiana has the second

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1 most productive fisheries in the United
2 States. Now, we have more rigs per capita
3 than anybody, and we have the most productive
4 fisheries. I want to say that not only can
5 fisheries and offshore rigs co-exist, they
6 co-exist quite nicely. In fact, one of the
7 big concerns about the environment is the
8 damage to the coral reefs. Well, the Flower
9 Gardens is a natural coral reef between Texas
10 and Louisiana. And according to the National
11 -- NOAA, that is the acronym. -- is one of
12 the best preserved coral reefs in the United
13 States. And so we have all this rig
14 activity, but nonetheless we have one of the
15 best preserved coral reefs in the United
16 States. Now, as I sit in that committee I am
17 struck that sometimes we seem more driven by
18 emotion so, I am finishing up by applauding
19 your attempt to apply science. I think we
20 all recognize the stakes here are in terms of
21 GDP, dependence upon foreign oil sources.

22 And lastly, I want to say that science
23 makes it clear that it can be good for the
24 environment, and good for the fisheries the
25 fact that we do have this domestic energy

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1 production.

2 Again, thank you for visiting Louisiana.
3 I hope it's one of many more. By the way, I
4 have got forty-four seconds left. It very
5 much co-exist with recreation, so much so
6 that if you ever want to go offshore fishing,
7 I have a boat lined up, and I would love to
8 take you. Thank you.

9 (APPLAUSE)

10 SECRETARY SALAZAR:

11 Thank you very much,
12 congressman.

13 (APPLAUSE)

14 SECRETARY SALAZAR:

15 Thank you very, very much for
16 those presentations. Let me also say that
17 there are others who are in the audience, Sid
18 Miller, state representative from Texas is
19 here and had lots of information for me from
20 Texas. Reggie Dupre is the chairman of the
21 Louisiana State Senate Natural Resources
22 Committee. Laurie LeBlanc, Louisiana Deputy
23 Secretary of Natural Resources. Tim Burns,
24 Louisiana State Rep. And Charlotte Randolph
25 who is the parish president, as we would say

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1 in Colorado, county president, I suppose,
2 from LaFourche Parish. Thank you all for
3 being here.

4 We are going to move into the next
5 portion of the presentation in just a few
6 minutes after the break.

7 I hear what you all are saying about the
8 importance of the oil and gas industry, and
9 at the end of the day when you look at the
10 assessment that MMS and USGS have done there
11 is no doubt that half of what they have found
12 is located here in the Gulf Coast of Mexico.
13 So, we know that there is already existing
14 infrastructure. There is huge potential
15 here. The question which we wrestle with,
16 which Mary Landrieu and I have personally
17 wrestled with a few years ago has to do with
18 whether we open up additional areas.

19 You know, there were people, who are
20 people of good faith, who strongly believe we
21 ought to leave the eastern Gulf Coast
22 planning area alone. They raised the issues
23 of, first, the potential impact that they see
24 on tourism and ecology on their beaches. And
25 second of all, military and defense concerns

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1 because of the training area used there by
2 the military. And those are legitimate and
3 heart felt issues. How we move forward with
4 respect to that part of the Gulf of Mexico is
5 going to be very important. I also would
6 remind all of us that there is very extensive
7 acreage that we are already making available
8 for lease in the Gulf of Mexico. Just like
9 the lease sale of two zero eight that we held
10 here just a few weeks ago, there are millions
11 of acres out there that are being made
12 available for oil and gas development, and it
13 is the place throughout the OCS that is most
14 developed for the oil and gas industry. I
15 appreciate the comments about the importance
16 of the oil and gas industry, as well.

17 And, finally, let me say this. I
18 appreciate, especially Senator Landrieu as
19 the spearhead of trying figure out if we can
20 do something different with respect to
21 revenue sharing. There is not yet a position
22 that I am taking on this at this point in
23 time as Secretary of the Interior, but it
24 does seem to me that I helped throughout in
25 her efforts to create the first revenue

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1 sharing mechanism for the Gulf states, that
2 in there, there was recognition about the
3 equities, that if you are onshore, as I was
4 then during that time in Colorado, we have a
5 lot of oil and gas activity in my state.
6 Mary was absolutely right, as she was on the
7 floor many times during that debate, that we
8 received fifty percent of all the oil
9 revenues that were coming to the State of
10 Colorado from oil and gas activities, and yet
11 the coastal states were not receiving
12 anything.

13 So, it was through her push, frankly,
14 that we have a new formula. But inherent in
15 that formula, we were able to put the
16 coalition together because of a bipartisan
17 effort that we had underway
18 with Mary, and Lamar Alexander in the lead to
19 try to get some of those resources back for
20 the landscapes of America to try to bring
21 money back for coastal restoration.
22 Congressman Taylor and others of you who
23 spoke about the importance of that issue are
24 so, right. That there is so much that we
25 have to invest back into the landscapes of

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1 America.

2 So, when we think about the rails, if
3 you will, that I intend to stand on as
4 Secretary of Interior, one of them will be
5 the charge that I have been given by the
6 President to move forward with a
7 comprehensive energy program. That is
8 important to us. And there is a lot of work
9 that is going on to take a look at all the
10 drivers that cause us at this point in time
11 to really take this issue as seriously as it
12 has ever been taken. It's jobs, our
13 environment, and it's national security, as
14 all of you know so well.

15 But there is another aspect of this
16 that, I think, frankly, we have not done a
17 good job of as a country. That is how we
18 fulfilled those visions of Dwight Eisenhower
19 in 1958 when he created the Outdoor
20 Recreation Commission; John Fitzgerald
21 Kennedy when he announced the Division for
22 the Land and Water Conservation Fund. The
23 efforts that have gone on since then,
24 including efforts that went on in the '90s to
25 restore that money, sometimes it seems to me

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1 you have development on the one hand,
2 fighting those who care about conservation
3 and the environment on the other. It seems
4 to me that we may be at a point in time where
5 we can try to bring those two things
6 together. And we collected through MMS last
7 year about twenty-four billion dollars. This
8 year it will be more on average around twelve
9 or thirteen billion dollars that we collect.
10 Every year we have set aside in there the
11 amount of money that is supposed to be going
12 for LWCF, but it ends up being subject to
13 language that was included back in that
14 original statute of '65, which essentially
15 says only if the Congress appropriates it.
16 well, there is always lots of other greater
17 demand.

18 So, what is happening in the midst of
19 all of this. We have coastal areas that need
20 to be restored. We have rivers all across
21 America, whether it is the Anacostia in
22 Washington, D.C., or the Mississippi, or the
23 tributaries of the Mississippi, or the
24 wildlife refuges here in Louisiana. We have
25 great icons of our national parks and our

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1 national history that need to have had the
2 kind of investment that will help us treasure
3 our past in the same way we treasure our
4 landscapes in our future.

5 Yesterday, here at the French Quarter I
6 visited about forty of our employees at the
7 French Quarter facility that we have here.
8 They are very proud of the history that is
9 displayed with respect to New Orleans. Well,
10 there has not been the kind of funding of
11 those sorts of programs, frankly, because
12 there has been a breach of trust, I think,
13 with the people of America based on what the
14 Land and Water Conservation Fund was supposed
15 to do back in the 1960s.

16 So, I hope as we move forward, as we
17 look at the comprehensive energy plan, and
18 the imperatives that drive us, we also keep
19 in mind that there is another rail here that
20 is very important to me, and very important
21 to President Obama, and that is how we move
22 forward with a twenty-first century Teddy
23 Roosevelt's vision and agenda with respect to
24 the landscapes of America. I thank you all
25 for participating. Senator Landrieu, thank

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1 you for being here as the senator for
2 Louisiana that is always championing your
3 state. Thank you, very, very much.

4 (APPLAUSE)

5 SECRETARY SALAZAR:

6 It's right at ten-fifteen. We
7 will take a break for fifteen minutes. I
8 know there are a number of you who want to
9 make comments to me. So, we will have an
10 opportunity for all of you to give us your
11 comments and your input. Thank you, very
12 much.

13 (OFF THE RECORD)

14 SECRETARY SALAZAR:

15 Let's get started. Senator
16 Mary Landrieu continues to be with us,
17 because she cares so much about this issue.
18 She will be here for awhile, but we are going
19 to open it up now for comment. You will see
20 that we have gathered cards from all over,
21 from all the five coastal states, including
22 Louisiana. I am randomly going to go through
23 and call on them for some comments.

24 First, we will start with Louisiana,
25 since it is our host state. What I am going

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1 to do is take every fifth card. As I call
2 your name, if you will come up to the
3 microphone up here at the front I would
4 appreciate it. Then after I go through some
5 of these I will call on some of the other
6 states and the representatives who are here,
7 as well. Chris Tucker from Washington --
8 Chris Tucker, you are Washington, D.C., I am
9 not going to call on you. I am here to
10 listen to the people from Louisiana. Chris
11 Tucker, no, no. We will not listen to Chris
12 Tucker. We will start out with Darrell
13 Molick Wiley. Darrell, are you here?
14 Darrell, come on down. Darrell is from New
15 Orleans. While Darrell is coming down I will
16 go on. Francis Touchette. Francis
17 Touchette, are you here? High school
18 principal. Francis, you can line up there.
19 Let's call another one. Dave Bart. Dave
20 Bart, are you here, Dave? Dave, go ahead,
21 and my guy down there is Ray Rivera. Go down
22 there and we will get you ready to go. With
23 that, let's go ahead and start out with you,
24 Darrell.

25 MR. DARRELL MOLICK WILEY:

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1 My name is Darrell Molick
2 wiley. I am an environmental justice
3 organizer for the Sierra Club based here in
4 New Orleans, and my comments are building on
5 other Sierra Club comments that have been
6 given so far, and will be given at future
7 meetings. My comment is going to focus on
8 two data gaps that I identified in the report
9 that we are looking at right now. Those are,
10 first, the lack of a detailed analysis of oil
11 spills and the impact of oil spills on
12 coastal environments, especially here in
13 Louisiana. We are very aware of oil spills
14 coming from the Outer Continental Shelf, and
15 also the inshore oil infrastructure. We have
16 not seen enough analysis in the report to
17 talk about that. I am entering into the
18 record a Sea Grant fact sheet on the amount
19 of oil spilled during Hurricane Katrina, over
20 eight million gallons, it both came from
21 offshore platforms that had problems, but
22 also onshore facilities. I know that is sort
23 of crossing department lines, but we need to
24 look into that in any kind of analysis.

25 Then, also the fact that our oil and gas

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1 infrastructure is aging, and I didn't see any
2 kind of analysis of the impact on aging
3 infrastructure and future oil spills. We
4 also had a significant number of oil spills
5 caused by Hurricane Ike with over the two
6 hundred and two. And then also Hurricane
7 Gustav.

8 That's the main point that we want to
9 bring up, that we need to look at oil spills
10 related to both aging infrastructure and
11 natural storms. I also have a statement that
12 I want to enter into the record from our
13 staff person in Florida, and their concerns
14 with ongoing oil spills. So, I will put that
15 into the record. I don't know who I give
16 that to.

17 SECRETARY SALAZAR:

18 Thank you, Darrell. Give it
19 to that young man, Ray Rivera, that is right
20 next to you. We will make sure it happens.
21 Thank you, Darrell, for your comments. Next
22 we have Dave Bart.

23 MR. DAVE BART:

24 First of all thank you for
25 coming to speak today. My main concern has

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1 to do with what we can do to develop
2 renewable energies here on the Gulf Coast. I
3 know that the gas and oil industry is a major
4 contributor to the various political lobbies
5 down here. That creates a lot of opposition
6 to that in this region

7 SECRETARY SALAZAR:

8 Dave, who are you with?
9 Citizen?

10 MR. DAVE BART:

11 Ordinary, just Dave. That's
12 all I am with.

13 SECRETARY SALAZAR:

14 That's perfect. We want to
15 hear from ordinary citizens. Please, keep
16 going.

17 MR. DAVE BART:

18 Anyway there is a lot of
19 opposition to the development of renewable
20 energies here on the Gulf Coast. I am
21 wondering how we can overcome that. There is
22 a lot of people like me who are just ordinary
23 Louisianians, who are not affiliated with any
24 particular organization, that would like to
25 see us get off oil and gas and get on to

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1 something that is less destructive to the
2 environment, and doesn't require us to import
3 oil from countries that, frankly, don't like
4 us too much.

5 SECRETARY SALAZAR:

6 Thank you, Dave. Francis
7 Touchette.

8 MR. FRANCIS TOUCHETTE:

9 Thank you, Mr. Secretary. My
10 name is Francis Touchette. I am a principal
11 at Ehret High School. You were probably
12 wondering why a high school principal would
13 have taken a day off of school to come and
14 address such an important issue. Well, first
15 of all I am at a public high school in which
16 we have one of the highest school performance
17 scores within the State of Louisiana. And of
18 which the majority of our student body comes
19 from families that are directly employed by
20 the industry. The industry is such an
21 important part of the community of Ehret High
22 School that it employs over sixty percent of
23 the families that basically are in that
24 particular area. More importantly, the
25 students that we graduate every single year,

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1 we have students that are going into some
2 type or part of the industry that rely on the
3 industry. I'm here to say to you, Mr.
4 Secretary, if there is any concerns from the
5 areas that are in the eastern areas as far as
6 whether or not this is going to be a direct
7 impact in a negative way, I can be a voice
8 for you to say that the industry has helped,
9 it is a benefit, as far as jobs are
10 concerned, it is something that has always
11 been there when we are in need.

12 Four years ago we were impacted with the
13 most devastating storm, Hurricane Rita. I
14 can tell you right now, FEMA made a bunch of
15 broken promises, and did a lot of things in
16 which we thought we were going to get
17 restored, and it did not happen. The
18 industry lent a helping hand, and gave over
19 eight hundred thousand dollars worth of
20 things to put our kids back into school.

21 That is some of the stories that I can
22 basically convey over to other people. That,
23 number one, the industry is not this negative
24 thing that people basically are hearing as
25 far as the news is concerned. It is

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1 something that, number one, creates jobs.
2 And when there is time of need, they are
3 there to help. All I can say to you is that
4 within the four years that basically I have
5 been the principal at Ehret High School we
6 have gone through three storms. In all three
7 of those storms in which the families have
8 been affected in that coastal area we have
9 been helped by several of the companies that
10 basically employ, and also are in those areas
11 as far as the industry is concerned.

12 So, I am asking you from the educational
13 standpoint, please, allow the expansion of
14 the industry in other areas so those same
15 schools in the Florida area, the Alabama
16 area, can maybe at some point in time
17 benefit, just as we have benefitted in our
18 area. Thank you so much, and thank you for
19 allowing me to speak.

20 (APPLAUSE)

21 SECRETARY SALAZAR:

22 Thank you, Francis. How many
23 students do you have in your school?

24 MR. FRANCIS TOUCHETTE:

25 we have approximately five

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1 hundred and fifty students at our school,
2 which is a school of ninth through twelfth.

3 SECRETARY SALAZAR:

4 So five hundred and fifty
5 students.

6 MR. FRANCIS TOUCHETTE:

7 Yes, sir.

8 SECRETARY SALAZAR:

9 Thank you for your service to
10 our children. I am going to call on
11 representatives next who are here from other
12 states, formally here for their governors.

13 Before we do that, I would like Brenda
14 or Bob to comment on Darrell's oil spills and
15 oil aging issue. And, so, if you will
16 comment on that. And let me say, Dave Bart,
17 with respect to your comment on the
18 opposition to renewable energy, I did not
19 hear that. What I have heard, at least
20 today, here, is that there is a broad array
21 of items we have to have on the energy
22 portfolio, including solar and wind. I
23 didn't hear the word geothermal, but there is
24 a lot of that. I think what I was hearing is
25 that we need to have a broad energy

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1 portfolio. There is a possibility, when we
2 look at wind energy, at least for some
3 potential here in the Gulf Coast. So, that
4 is one of the issues that we are looking at
5 with respect to the OCS. Francis, I
6 recognize also the economic impact that the
7 oil and gas industry has throughout our
8 nation, but I think has a particularly
9 significant impact here on the Gulf Coast, as
10 well.

11 So, Brenda or Bob, do you want to
12 comment on the oil spills and oil aging
13 issue?

14 MR. BOB LABELLE:

15 Yes, I will, Mr. Secretary. I
16 think Representative Cassidy mentioned the
17 National Academy of Sciences review of
18 offshore oil spills. In fact, all inputs of
19 petroleum into the marine environment for
20 North America, and they found that over the
21 ten year period they studied, which was '90
22 through '99, offshore inputs of petroleum
23 were less than two percent of the total.
24 Natural seepage was something like sixty
25 percent. Atmospheric fall out was a good

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1 part of it. Marine transportation was a
2 smaller subset than the larger ones, but in
3 general that is what we are -- we point to
4 the historic record, and we also keep a very
5 close record of actual spills and the amounts
6 spilled over the years from federal offshore
7 facilities.

8 There is no doubt that during the
9 hurricanes there was extensive spills up and
10 down the coast here. Much of that, as the
11 gentleman pointed out was from onshore
12 refineries and other things that were
13 damaged. But the main point about offshore
14 was the down hole safety valves on the wells
15 held, and there was no uncontrolled release
16 from pressurized reservoirs to the ocean.
17 There was losses of stored diesel, and other
18 products on platforms that were lost. There
19 were over a hundred platforms lost, most of
20 them were the older types, many of them
21 unmanned. But overall, you know, no oil in
22 the water is the goal. We feel that we are
23 doing pretty much as much as we can to
24 maintain that goal.

25 SECRETARY SALAZAR:

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1 Thank you, Bob. Those are
2 issues obviously in the environmental section
3 of the report that are addressed, but if
4 there is additional information, and gaps in
5 that information that you think you need to
6 be looked at, that's what we are doing with
7 the comment period that we can only have
8 extended to September 21st. I am now going
9 to call, we will continue this, but there is
10 lots of opportunity for conversation here,
11 and even when we get to the break at noon.
12 We will continue until eight o'clock at night
13 so everybody who is here that wants to say
14 something will have an opportunity to do
15 that.

16 I want to call at this point on Patricia
17 Powell. Patricia Powell. Patricia, are you
18 still -- Yes. There you are. -- who is the
19 state land director for the State of Alabama.
20 She is here on behalf of Governor Riley. So,
21 Patricia, welcome.

22 MS. PATRICIA POWELL:

23 Thank you very much. On behalf
24 of Governor Riley and the State of Alabama I
25 want to thank you as others have, for not

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1 just making yourself available here today,
2 but also for providing such a wonderful forum
3 for comment and discussion among government
4 agencies, organizational industry, and
5 private citizens. We very much appreciate
6 this opportunity, and appreciate the
7 additional period for comment on the program.
8 And in light of the various issues that have
9 been brought up today I will yield my time to
10 others. I just want to thank you personally
11 on behalf of Governor Riley for providing
12 this opportunity. Thank you.

13 SECRETARY SALAZAR:

14 Thank you, very much. I know
15 Alabama cares very deeply about these issues,
16 as well as coastal issues. So, thank you.
17 Let Governor Riley know that we very much
18 appreciate your being his emissary here
19 today.

20 From the great State of Mississippi, Dr.
21 Bill Walter. Bill, are you here?

22 (NO RESPONSE).

23 SECRETARY SALAZAR:

24 He was here. He may have left.
25 Bill?

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1 (NO RESPONSE).

2 SECRETARY SALAZAR:

3 Since Bill might have left.

4 Let me see. I am going to call on a citizen
5 from Mississippi to make sure we have a
6 Mississippi voice here. So, you will see
7 that I am doing this in a fair way, I am just
8 going to go to the third card. I don't even
9 know who it is. Jerry Landrum from
10 Mississippi. Jerry, are you here?

11 MR. JERRY LANDRUM:

12 Secretary Salazar, thanks so
13 much for coming down. I wanted to speak
14 briefly towards demand reduction in energy.
15 I have studied for awhile the anticipated
16 effects of the climate disruption, and my
17 understanding is that you are familiar with
18 those effects, and that our President is, as
19 well. My first question to you is, would you
20 support having the National Academy of
21 Sciences look into the question of ice sheet
22 stability. The break up of the west end
23 Arctic ice shelf was in the news just
24 yesterday. We are a really low, low lying
25 area here. If Antarctica's ice shelf goes,

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1 and Greenland goes, we are looking at what,
2 eighty feet of sea level. We are looking at,
3 now, several degrees temperature warming.
4 The last time the Earth was three degrees
5 warmer it is my understanding that sea levels
6 were around eighty feet higher. I think you
7 are familiar with all that stuff. Recently
8 Dr. Hanson who is the NASA chief
9 climatologist, James Hansen, who has
10 basically right been about this problem for
11 twenty years and has testified to Congress
12 periodically. In February he testified in
13 front the House Ways and Means Committee
14 before Chairman Rangel there, and his
15 suggestion is that this cap and trade system
16 that has been discussed in reality would be a
17 tax and steal sort of thing. And we have
18 recently seen the shenanigans, once the
19 finance industry gets involved in something
20 it's a complicated trading scheme, and that
21 there is all kinds of opportunity for abuse
22 in there. What he's recommending is a
23 straight, honest carbon tax with a one
24 hundred percent dividends back to the
25 taxpayers. And he's written that up. I have

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1 got his comments here that were delivered to
2 Chairman Rangle. I would like to submit
3 those, and that those would be my comments,
4 as well, fully in support of this.

5 SECRETARY SALAZAR:

6 Thank you very much, Jerry.

7 Let me just say that you raise a very
8 legitimate issue with respect to what is
9 happening in the poles of America, and what
10 is happening with climate change. I think
11 that the scientific community, and most of
12 Americans, and much of the world has gotten
13 to a point where they recognize it's an issue
14 that we have to deal with. I think
15 especially for coastal communities, that if
16 you have a rise in the sea, what does that
17 mean long-term to coastal communities, such
18 as many of our communities here in Louisiana.

19 So, it's an issue that is on the radar
20 screen of the President, and very much on
21 mine. I think that the whole new energy
22 frontier, and what we do with climate change
23 are inextricably linked. On a study of the
24 National Academy of Sciences, we have a lot
25 going on with respect to the scientific

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1 review, including the great work the USGS has
2 been doing on the poles. So, thank you for
3 your comment. I want to call on Laurie --
4 No. Let me see. I want to call on -- where
5 is my list of other states? Patricia Powell.
6 We've got Bill Walker. Let me call on
7 someone from Florida. I have Wayne. Wayne
8 Conwell. Wayne Conwell from Florida. Wayne,
9 are you here?

10 (No Response).

11 SECRETARY SALAZAR:

12 Wayne? I got a call from one
13 of your senators this morning. Wayne is not
14 here. We will skip on Florida. Let me call
15 on somebody who is here from Texas. Mike
16 Bateman. Are you here, Mike? Go ahead,
17 Mike.

18 MR. MIKE BATEMAN:

19 Good morning and thank you for
20 being here. I am Mike Bateman. I am with
21 the Herama Group (phonetically). I am the
22 jobs guy. We don't care if it is oil or gas.
23 We don't care if it is offshore wind. We
24 build things. And just for an update for
25 maybe some of the folks in the room, we are

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1 currently looking at a project that would be
2 designed in Houston, built in Houma,
3 Louisiana, and installed by a bunch of Jersey
4 longshoremen off of New Jersey related to the
5 wind farm business. We do a lot of work with
6 oil and gas. We do a lot of work with the
7 wind. We installed over a gigawatt of
8 offshore wind in Europe. And we do business
9 with the oil and gas companies all over the
10 world. We would like to do more for both.
11 So, (inaudible) more energy. Keep the five
12 hundred billion dollars, that we send for oil
13 and gas to foreign competitors or foreign
14 entities that don't necessarily like us, here
15 at home. Keep that at home to help stimulate
16 our economy. But the issue we have with the
17 offshore wind business is we don't see the
18 stimulus package doing any good for it
19 because it's taking a long time to get the
20 permitting straight. It's taking a long time
21 to get the data gathered. I know since 2001
22 it was with the Corps of Engineers. Then in
23 2005 it switched in that jurisdiction, and we
24 still don't have the set package of
25 regulation codes and methodology for

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1 permitting an offshore wind farm. In fact,
2 we can't even get the set to actually go out
3 and gather the data.

4 We mentioned there are some holes in
5 data. We would like to actually be able to
6 gather the soil data, get the stations on
7 site, and collect all the environmental data
8 we need to actually do a FERC permit. So, I
9 am just urging MMS and yourself to please
10 publish those regulations, please help us
11 move that forward in a timely manner so we
12 can capture some of the stimulus benefits,
13 because those will expire. If we don't move
14 these to construction we are not going to be
15 able to use them.

16 The second comment I had is with regard
17 to something we have come across in Europe,
18 which is we have now split wave and current
19 technologies under FERC regulations, and wind
20 technologies under MMS. We have run into
21 that in development we have worked on in the
22 past, which was going to be a combination
23 wind farm and gas field. That's not wind and
24 wave, that's wind and gas. But we ended up
25 having to drop the gas portion of that

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1 development because the regulatory and
2 permitting onus became so high. Personally,
3 as a developer I would love to see all that
4 authority under one roof. I like MMS. We
5 have worked with them for several years.
6 That's my comment.

7 (APPLAUSE)

8 SECRETARY SALAZAR:

9 I appreciate those comments.
10 Just a couple of comments on the regulatory
11 process. Frankly, the government of this
12 country should work on behalf of the people
13 of this country. I don't think that
14 jurisdictional disputes should allow us from
15 moving forward on an agenda that is here and
16 now. One of the things we have already done
17 in the last several weeks is we have
18 finalized an arrangement with FERC where
19 there is an understanding that MMS will be
20 the agency that will move forward with
21 permitting, and we will, because of that
22 resolution be able to move forward with the
23 final rules on wind energy. I hope that
24 that's something we can get done in the next
25 several months. I would say within sixty

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1 days we should be able to have those rules
2 out. We will see where that potential takes
3 us.

4 In my State of Colorado in 2004 we
5 started working on wind energy. And we went
6 from almost no production to two thousand
7 megawatts of wind energy within that four
8 year period. I know what has happened in
9 Texas where Texas has been a great leader in
10 the country in terms of adding significant
11 power to the grid from the wind energy across
12 Texas. So, we are working that agenda.

13 Thank you, very much for your comment.

14 Let me call on a couple of other people.
15 Let me just, again, we are going to do this,
16 whoever I take first. Allen Drake. Allen
17 Drake who is from Louisiana. Allen, are you
18 here? I am going to call on a couple of
19 other people so we line them up. That's one.
20 I am going to do every third card here. This
21 is Michael Willis. Michael Willis with
22 Century Exploration. Jim Mastrototouro from
23 716 Adam Street. Are you here? Come on.
24 That was Jen? J E N?

25 MS. JILL MASTROTOTOURO:

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1 Jill.

2 SECRETARY SALAZAR:

3 Jill. Check these glasses out.

4 Thank you, Jill. We will take those three
5 comments that we have got. Please, go ahead.

6 MR. ALLEN DRAKE:

7 Although I walked and took the
8 streetcar to get here, using no oil, I am
9 affiliated with an Arlington based non-profit
10 economic modeling firm that does work for the
11 Iamaferal (phonetically) bank and so forth.

12 And the question I have is the data gap
13 that I see is not so much at the micro level,
14 which you have been focusing on, but at the
15 macro level. What are the overall
16 environmental energy and economic impacts of
17 a further approach towards renewable energy,
18 you know, how much and so forth? And the
19 Millennium Institute which is a non-profit
20 has modeled the U.S. economy, and over a year
21 ago they were forecasting that the U.S, if we
22 continued business as usual, was headed
23 toward becoming a third world economy with
24 out of control carbon emissions. Instead of
25 publicizing that rather dismal world view,

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1 they started looking for policies that would
2 reverse this. They modeled ACOR
3 (phonetically), of which I assume you are
4 familiar with, their renewable energy model,
5 it controlled carbon emissions and had the
6 U.S. economy declining, but at not as fast a
7 rate.

8 Then they modeled what I have been
9 proposing for some time, which is efficient
10 non-oil transportation, not electric cars,
11 but other modes, and it had the same result
12 as a maximum for renewable energy. But if
13 you combine the two, then you get the best of
14 all worlds. There is no trade off. We have
15 found the GDP increased by thirteen percent
16 by 2030 versus business as usual, carbon
17 emissions were down thirty-eight percent,
18 overall oil consumption was down twenty-two
19 percent, and employment was five point four
20 percent higher, which means less
21 unemployment.

22 SECRETARY SALAZAR:

23 Let me ask you, so I
24 understand. This is a comparison by your
25 organization the Millennium Institute?

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1 MR. ALLAN DRAKE:

2 Yes. Heinz Herring
3 (phonetically) is the president.

4 SECRETARY SALAZAR:

5 Speak a little closer to the
6 mike.

7 MR. ALLEN DRAKE:

8 Heinz Herrin (phonetically) is
9 the president, and has made very noteworthy
10 contributions to humanity already.

11 SECRETARY SALAZAR:

12 The point of your study though
13 is --

14 MR. ALLEN DRAKE:

15 Is that we are trying to find a
16 way to keep the United States from devolving
17 into a third world economy with out of
18 control carbon emissions. And recently we
19 believe we have found a combination of
20 policies that is good for the economy, good
21 for the environment, and good for energy.
22 And part of that --

23 SECRETARY SALAZAR:

24 What is -- So, the combination
25 of policies, give that to me in your

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1 remaining thirty seconds.

2 MR. ALLEN DRAKE:

3 Okay. The ACOR (phonetically)
4 renewable energy which is a very hard push
5 for renewable energy and a very hard push for
6 efficient non-oil transportation, which would
7 be to electrify the freight rail lines, speed
8 them up a bit, and shove most of the truck
9 freight onto that, build urban rail at a very
10 fast pace, promote more bicycling, as much as
11 you can, although though there is a upper
12 limit on bicycling. And promote more transit
13 oriented development. For less than the cost
14 of one AIG bailout a year we can increase
15 U.S. economy by thirteen percent. By 2030
16 according to what the model shows, and all
17 models are flawed, carbon emissions down by
18 thirty-eight percent, overall oil use down by
19 twenty-two percent.

20 SECRETARY SALAZAR:

21 I appreciate your comments
22 Allen. we would appreciate a copy of your
23 report, as well. Thank you, very much.

24 Michael.

25 (APPLAUSE)

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1 MR. MICHAEL WILLIS:

2 Good morning. I am Michael
3 willis, chief operating officer of Century
4 Exploration. We are a privately held
5 independent oil and gas company. My office
6 is here in Metairie. We employ about fifty
7 people. We have an office in Lexington,
8 Kentucky, and one in Houston, Texas. We are
9 probably representative of a fairly typical
10 privately held independent E and P,
11 exploration and production company. The
12 panel that you have, the representatives this
13 morning were very educated and articulate
14 about the current situation in terms of the
15 increased taxes that are being proposed on
16 our industry. These are particularly of
17 concern to a company like ours. We rely on
18 cash flow in order to drill wells. And the
19 business we are in is replacing reserves. We
20 drill for both oil and gas. We are cash flow
21 driven. We were not a public company. We
22 don't have access to public funds. We drill
23 our wells through our cash flow. If we have
24 these increased tax burdens put on us we
25 won't have enough capital to keep on drilling

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1 wells, to replace our reserves, and to keep
2 our business viable. The -- We have debt we
3 have to meet. We have to meet the
4 obligations that we have to our bankers. And
5 to the extent that we can't replace reserves,
6 the bank is going to come to us and say, give
7 us our money back.

8 when oil is at a hundred forty dollars,
9 all is forgiven. You can't really go wrong.
10 But when oil comes back down to fifty
11 dollars, or forty dollars -- Natural gas, in
12 particular, at nine or ten dollars, we can't
13 go wrong. When natural gas goes down to
14 three or four dollars in such a short space
15 of time, this is of particular concern to us.
16 And I thank you for listening.

17 SECRETARY SALAZAR:

18 Let me ask you a question.
19 You are a businessman, where the rubber hits
20 the road, creating jobs and having to make a
21 payroll. I am the Secretary of Interior.
22 One of my jobs is to be the steward of these
23 resources that belong to all of the American
24 people. Whether it's the Outer Continental
25 Shelf or the resources of twenty percent of

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1 land mass of the United States.

2 How do I go about advocating for a
3 balance in terms of making sure that we are
4 keeping companies like yours up and running,
5 but at the same time making sure that we are
6 getting a fair and honest return back to the
7 American citizen?

8 MR. MICHAEL WILLIS:

9 well, I think that the return
10 back for the American citizen is the fact
11 that we, a company of fifty people, probably
12 create a thousand jobs when we have got three
13 or four rigs running. We are producing oil
14 and gas domestically. So, the oil and gas,
15 the oil is not coming from the Middle East or
16 from Venezuela, it's coming from Louisiana,
17 Texas and from the Gulf of Mexico. I think
18 it's actually fairly simple in terms of job
19 creation, energy independence, it's pretty
20 simple.

21 SECRETARY SALAZAR:

22 Let me just first say, first I
23 recognize job creation that occurs because of
24 oil and gas, and coal production in our
25 country. I recognize that very much. I also

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1 recognize the importance of having the right
2 balance that allows that kind of activity to
3 move forward, but at the same time gets the
4 right kind of return back to the American
5 citizen, a private land owner, or if we
6 allowed private land ownership out in the
7 OCS, as well, we would want to know what the
8 value of their asset is in making sure that
9 as that gets leased out for development there
10 is a fair return back. That's part of what
11 we are trying to do. We look at tax
12 policies, and we look at royalty issues, and
13 the like. We are looking at different
14 economic analysis, including that which we
15 have received from lots of different sources
16 to try to achieve that kind of balance. I
17 appreciate your comments very much.

18 SECRETARY SALAZAR:

19 Jill.

20 (APPLAUSE)

21 MS. JILL MASTROTOTOURO:

22 Good morning, Mr. Secretary and
23 DOI representatives. I appreciate the time
24 to be with you here this morning. I want to
25 also thank you for the leadership that you

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1 are showing on a national level to provide
2 public input and opportunity for helping to
3 direct our nation toward a cleaner energy
4 future that supports strong economy, that
5 protects our environmental resources and that
6 helps engage the citizens of our country in a
7 renewable energy future.

8 To that end, I would like to make a few
9 statements from my prepared comments that I
10 will be reading fully into the record this
11 afternoon. But we would urge DOI to insure
12 that no new drilling on the Outer Continental
13 Shelf occurs in areas that were previously
14 protected by the moratorium. We reiterate
15 our resolve for no new drilling on the Gulf
16 Coast and that the Sierra Club fully opposes
17 seismic exploration on the OCS as research
18 has shown that it causes harm to marine
19 mammals and our fisheries.

20 We do support DOI's push for more
21 offshore wind development. We recognize that
22 it is an energy solution that can be adopted
23 now and the technology is well established to
24 provide this and to help direct our portfolio
25 as we move forward as a nation.

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1 In fact, a 2005 study by Stanford
2 University found that Louisiana has the
3 greatest potential in the United States for
4 offshore wind production, which I have a map
5 of, and it does somewhat conflict with some
6 of the data that was presented this morning.
7 But I think that it points to the fact that
8 there is a serious data gap in our renewables
9 and we would request that DOI provide some
10 additional research insight into putting
11 resources into developing more data on that
12 in this area, and that the National Academy
13 of Sciences is well positioned to put forward
14 such a report.

15 SECRETARY SALAZAR:

16 Let me ask you a question.
17 First, I appreciate your attendance here,
18 just like we have many members from the oil
19 and gas industry, I know your organization is
20 an advocate for making sure that we are
21 protecting and saving the planet in every way
22 that we can. Let me ask you this question
23 with respect to renewable energy. Your
24 organization, the Sierra Club, has said let's
25 move forward with renewable energy because

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1 there's significant opportunities offshore.
2 Our study shows what some of that potential
3 ass stated by the National Renewable Energy
4 Lab is what we relied on. You have other
5 statistics that show what that potential is.
6 As we look at developing the renewable energy
7 resources and the sighting of windmills and
8 the construction that comes with that, even
9 if it's in shallow waters, are you as an
10 organization concerned at all about some of
11 the environmental issues that might have to
12 go along with that development?

13 MS. JILL MASTROTOTOURO:

14 well, from our standpoint, in
15 order to move towards a more sustainable
16 positive energy future there will have to be
17 some give and take. However, we recognize
18 that in the process of looking at renewables
19 we would abide by the NIPA (phonetically)
20 guidelines and would want to move forward and
21 look at all of our options. So, you know,
22 once we have, I think, the science better
23 established we will all be better informed to
24 help, you know, figure out where we need to
25 site the facilities on, such as, you know,

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1 wind turbines and wave attenuation facilities
2 that need to take place in order to help
3 guide us in the long-term.

4 SECRETARY SALAZAR:

5 Let me ask you another
6 question, that is, with respect to developing
7 additional information, we heard from some of
8 the witnesses here today, as well as some of
9 the members of Congress, as well, has
10 indicated in our report that we have some
11 huge data gaps. We had a big debate at the
12 national political level, what we ought to be
13 doing with the Atlantic Coast. And one of
14 the realities indicated in our report is that
15 we don't have any reasonably current
16 information in terms of seismic information
17 off of the Atlantic. So, would your
18 organization also be opposed to gathering
19 that kind of information if we went through
20 the processes that we have to go through,
21 including compliance with NIPA (phonetically)
22 for gathering that information so we have a
23 better understanding as American government
24 on behalf of American citizens what the
25 resources are that we have out there in the

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1 Atlantic?

2 MS. JILL MASTROTOTOURO:

3 well, I know as a organization
4 we do have a policy against seismic
5 exploration, however, I think that if there
6 is interest in looking at renewables and
7 gathering the data they need, we would have
8 to revisit that. Although I am not at
9 liberty that we could, you know, turn tail
10 and then support seismic exploration for
11 science, I think we would want to see the
12 science move forward but, we would have to be
13 engaged in the process to develop the
14 methodology regarding how we get to the
15 science and how we get to the data. So, the
16 conversation would be forthcoming. We would
17 want to take part in that.

18 SECRETARY SALAZAR:

19 Let me ask you one more
20 question. I'm sorry to ask you these
21 questions. They were questions on my mind.
22 I am assuming that we are going to continue
23 to have development and extraction of our oil
24 and gas resources here in the Gulf Coast as
25 we are having this hearing today. That will

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1 happen for who knows how long, but for a good
2 period of time, until some of these other
3 energies are developed for us to be able to
4 deal with some of the biggest policy issues
5 that we talked about earlier. We currently
6 produce huge amounts of money for the United
7 States Treasury that comes from oil and gas
8 production. Would your organization be
9 supportive of concepts that would return
10 those royalty revenues back into coastal
11 restoration and environmental restoration
12 across this country?

13 MS. JILL MASTROTOTOURO:

14 We would certainly like to see
15 more resources dedicated to coastal
16 restoration in Louisiana and the Gulf Coast.
17 The challenge remains that a significant part
18 of coastal erosion on the coast here is due
19 to oil and gas exploration and continued
20 development of oil and gas on our coast. Of
21 course, yes, we have a working coast, but the
22 siting of oil and gas pipelines, has
23 destroyed, has disseminated our wetlands
24 here. It has caused serious saltwater
25 intrusion into fresh water systems. We have

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1 lost tens of thousands of acres of wetlands.
2 It is evidenced that our oil and gas
3 companies have a strong responsibility to the
4 people of the Gulf Coast and rectifying the
5 situation. And if we can get dollars put
6 towards coastal restoration, additional
7 dollars, that needs to happen. But in terms
8 of further development of oil and gas, I
9 think that the Americans have called for
10 change in the United States. I think that
11 energy is on everyone's mind. People, when
12 they flip on the light switch, or put gas in
13 their car, I think they are more attuned to
14 the issue, personally, and they were aware
15 that our oil and gas, and coal resources are
16 short term resources. They are finite
17 resources and that we as a nation need to
18 move towards being a leader, not just within
19 the world, but a global leader on renewable
20 technology, and we are running to catch up in
21 essence. SECRETARY SALAZAR:

22 I appreciate your comments,
23 Jill.

24 SECRETARY SALAZAR:

25 Joseph Limeculer with the

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1 American Association of DRLG Energy. Yes.

2 Joseph.

3 MR. JOSEPH LIMECULER:

4 Good morning. My name is

5 Joseph Limeculer. I assume you are referring

6 to me. I am the national president of the

7 American Association of Drilling Engineers.

8 I spent a twenty year career here in

9 Louisiana in oil and gas. I had some

10 statements prepared, but in all honesty, a

11 lot of those points have already been made.

12 At the end of the day, it's the position of

13 AADE that the policy --

14 SECRETARY SALAZAR:

15 Tell me a little bit more about

16 your organization. What does your

17 organization do?

18 MR. JOSEPH LIMECULER:

19 It's the American Association

20 of Drilling Engineers. We are a six thousand

21 member organization in eighteen chapters

22 across the United States from Pittsburgh to

23 the Rocky Mountains to the Gulf of --

24 SECRETARY SALAZAR:

25 Six thousand drilling

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1 engineers, petroleum engineers?

2 MR. JOSEPH LIMECULER:

3 Six thousand people employed
4 and working directly in the drilling aspect
5 of our industry.

6 SECRETARY SALAZAR:

7 Okay.

8 MR. JOSEPH LIMECULAR:

9 Our organization realizes the
10 largest public concern people have can be
11 summed up in HSE, health, safety and
12 environment. And what, quite frankly, one of
13 our frustrations is that people don't realize
14 the true track record that we have. In terms
15 of safety, in terms of personal safety of
16 folks involved in our operations, if you take
17 a look at the recent statistics of OSHA our
18 track record in terms a total recordable
19 incident rate indicates that our incident
20 rate is equivocal to that or even better than
21 that of persons involved in transport. So,
22 the incident rate for a real estate agent is
23 higher than someone working on the rigs.

24 SECRETARY SALAZAR:

25 Can you do me a favor, you are

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1 a little bit tall, can you put that mike up,
2 and is one of my staff close there that can
3 help? Make sure that that's --

4 MR. JOSEPH LIMECULER:

5 Is that better?

6 SECRETARY SALAZAR:

7 That is much better. I can
8 hear you.

9 MR. JOSEPH LIMECULER:

10 In terms of the environment,
11 unfortunately public perception is reality,
12 and unfortunately the reality is not often
13 backed up by the data. As we have already
14 heard today, two percent of the oil that
15 enters the oceans is associated with E and P
16 operations. In our opinion that risk is even
17 getting lower, because if you look at that,
18 it's based on historical. And you look at
19 the technology that we now deploy in the
20 drilling aspect of the wells from NWD
21 technology we know within minutes what we
22 drilled into, what it is the porosity, the
23 permeability. We even have the ability now
24 to stop our drill string, get a pressure or
25 even get a sample without even pulling the

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1 drill bit out of the hole. We are moving
2 away from mud pulse telemetry into hard wire
3 drill pipe technology. Which is the same as
4 going from analog to broadband. So, the
5 ability to actually anticipate risk and
6 manage that even lowers, and further lowers
7 the chance of spills, is never getting
8 better. We use three D and forty seismic
9 realtime operating centers for continuous
10 monitoring of the operation both on site by
11 qualified staff, as well as offsite. And
12 based on all the data and the technology we
13 have invested, we feel that continued
14 improvement in performance is likely. Our
15 performance record to date indicates that we
16 have earned the trust that we can indeed
17 continue to operate safely as we expand oil
18 exploration hopefully into the Outer
19 Continental Shelf. At the end of the day
20 there is some hard truths that have to be
21 realized. AADE fully realizes that we have
22 to move to a sustainable energy economy and
23 it's a mixture of all kinds of technology.
24 It is everything that has mentioned here
25 today, in addition to continued development

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1 of the oil resources and our OCS.

2 As a father whose son served eighteen
3 months in Iraq I fully realize the
4 implications and the measures this country
5 goes through to get secure energy. And for
6 having to get it from over there all at the
7 same time, not taking full advantage of
8 everything we have here in order to sustain
9 our economy, keep it vibrant, keep it
10 growing. While we move for a long term
11 sustainable energy policy it's not a question
12 of a war of oil and gas against renewables.
13 we have to do all of it. And only if we do
14 all of it can we actually achieve the economy
15 we want and the security we all desire.

16 SECRETARY SALAZAR:

17 Let me ask you a quick
18 question, Joseph. One of the concerns that I
19 hear often as I go around the country and as
20 people talk to me is the concern about oil
21 spills. More recently in Atlantic City just
22 a few days ago I heard from one of the United
23 States Senators about the amounts of oil that
24 was spilled during Katrina. I was reminded
25 that we are, I think, close to the twentieth

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1 anniversary of the Exxon Valdez spill. I
2 guess, accident, wreckage, whatever you want
3 to call it. I know that our own statistics
4 here show that there is not a lot of oil that
5 is actually spilled out during the oil
6 drilling activity and exploration here on the
7 Gulf Coast. Look out ten, fifteen years. Is
8 the technology improving? Are we getting to
9 a point, or are we getting to where we can
10 say we can guarantee that through this
11 activity there are not going to be oil spills
12 from the drilling and production activity in
13 the Gulf of Mexico?

14 MR. JOSEPH LIMECULER:

15 Do I think we will ever get to
16 a point that we can guarantee? No.
17 Unfortunately there are no guarantees in any
18 aspect of any physical activity anyone
19 undertakes in the OCS. But we can get the
20 rate extremely low. When you look at the
21 seismic resolution, our ability to detect
22 shallow gas pockets, which is the most
23 riskiest thing we face while drilling, that
24 shallow gas expands rapidly and it's on you
25 before you know it. We haven't had to deal

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1 with shallow gas thankfully due to seismic
2 and the site survey prep that we do because
3 of that technology. So, our ability to
4 monitor, our ability to react, our ability to
5 anticipate is improving all the time, and we
6 already have an extremely low risk event of
7 oil spills related to the drilling process
8 itself. I believe the last significant event
9 --

10 SECRETARY SALAZAR:

11 If you look at the last twenty
12 years have we continually gotten better, in
13 terms of being able to prevent that kind of
14 leakage? Has the technology improved with
15 respect to drilling?

16 MR. JOSEPH LIMECULAR:

17 I believe we have.

18 SECRETARY SALAZAR:

19 Thank you very much, Joseph for
20 your comments. I want to call on someone who
21 is here from Texas. State Representative
22 Miller, from Texas. I would like you to also
23 make your comment.

24 TEXAS STATE REPRESENTATIVE MILLER:

25 Secretary Salazar, thank you

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1 for allowing me to come before you today and
2 express the situation that Texas is in and
3 our recommendation. I'm here to say that we
4 recommend going ahead with the leases on the
5 Outer Continental Shelf.

6 I'll give you some examples in Texas as
7 to why we believe this would be good. We
8 believe it will create jobs which we sorely
9 need in our nation today. We believe it
10 would create energy independence, and in
11 doing so would increase our nation's
12 security. Also, and no one has talked about
13 this a lot, but it will put revenue in the
14 government coffers, both federal, state,
15 and local.

16 You heard from the principal here
17 locally. In the last two years Texas has
18 created three hundred ninety-three thousand
19 three hundred jobs. That is seventy percent
20 of all jobs created in the United States.
21 Part of this is because of the increased
22 activity in the jobs that were created in the
23 energy sector in Texas. We are one of only
24 four states that is not facing a deficit.
25 And it's because of our aggressive expansion

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1 of energy in Texas, both in renewables and in
2 the exploration field.

3 You have stated a couple of times that
4 Texas leads the nation now in wind energy
5 exploration. We are able to do that because
6 of a free market in Texas. Unlike most
7 western states, when we joined the United
8 States by treaty, we gave up no federal land.
9 So ninety percent of the land in Texas is
10 privately owned. So we are able to rapidly
11 expand that because we didn't have to go
12 through government leases. Same is true on
13 our surface exploration. We do not have to
14 go through federal leases, so we are able to
15 expand that.

16 Texas also has ten plus miles off the
17 coastline where most states only have three,
18 and we signed one of the first leases for
19 offshore wind production, tidal and wave
20 production. This has created an enormous
21 amount of jobs in Texas, and we believe we
22 are creating a safe environment.

23 We have had three hurricanes hit our
24 coast in the last twenty-four months,
25 virtually with no oil spills off those

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1 offshore rigs that we have in the Gulf of
2 Mexico. It has actually creased our fishing
3 revenue since those platforms have gone up.

4 So, we believe it's sound environmental
5 policy to go ahead and put those leases in
6 place.

7 SECRETARY SALAZAR:

8 Thank you, very much,
9 Representative Miller. Let me ask you a
10 question or two, just because I have you here
11 with some Texas expertise.

12 TEXAS STATE REPRESENTATIVE MILLER:

13 Yes, sir.

14 SECRETARY SALAZAR:

15 You look at the oil and gas
16 production we have within the vast landscape
17 of Texas which is significant in terms of
18 production. Do you have a sense of how your
19 royalty rates in Texas on private land
20 compare to what is charged on public lands
21 elsewhere in the United States? We charge in
22 the United States of America, through the
23 Department of Interior, Bureau of Land
24 Management, MMS, twelve and a half percent is
25 the royalty that we apply. Do you know what

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1 kind of royalty are returned in Texas?

2 TEXAS STATE REPRESENTATIVE MILLER:

3 There is not a standard. It's
4 of course, since it's privately owned each is
5 its own negotiated contract. It depends a
6 lot on the quality of the lease, the amount
7 of reserves underneath, so we vary somewhat.
8 But I can tell you this, for state revenue we
9 pretty much fund, and remember ninety percent
10 of our surface is privately owned and the
11 state has a little less than ten percent, and
12 there is some federally owned land, we pretty
13 much fund our higher education through the
14 oil and gas industry. We fund all of our
15 public school textbooks through the revenues
16 we receive off those lands. I already
17 mentioned that we are one of the four states,
18 and we are one of the only large states that
19 has a balanced budget. We do not have a
20 deficit. We also have a nine billion dollar
21 savings account. We call it the rainy day
22 fund. That comes entirely from a service tax
23 on the oil and gas industry. So it has been
24 very good to our state.

25 SECRETARY SALAZAR:

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1 I ask you this question
2 because one of things we are doing is taking
3 a look at royalty rates, because we want to
4 make sure that we have a fair return back to
5 the American citizen that owns those assets.

6 My question in terms of royalties
7 onshore, in Texas, these are arm's length
8 negotiations that they place between an
9 exploration company and oil and gas company
10 on the one hand, and a private landowner. I
11 would imagine there's great variance,
12 frankly, in terms of what those royalty rates
13 are because there is arm's length
14 negotiations. I also assume that the royalty
15 would be different based on the place where
16 the lease is being let.

17 TEXAS STATE REPRESENTATIVE MILLER:

18 That is correct.

19 SECRETARY SALAZAR:

20 If you are in a place where
21 there is already a known deposit and the
22 exploration company is not taking a
23 significant risk because the seismic
24 information demonstrates that there are
25 reserves there, then the royalty rate would

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1 be higher than it would if it was a new play,
2 a new area of exploration. Is that common-
3 sensical?

4 TEXAS STATE REPRESENTATIVE MILLER:

5 I would say that's correct. In
6 general, just from my personal experience I
7 would say that the average royalty to the
8 mineral owner would probably be in excess of
9 that twelve point five percent that the
10 federal government receives on their leases.
11 I don't have an exact number, but I would say
12 it would exceed --

13 SECRETARY SALAZAR:

14 I have one other question. I
15 don't mean to put you on the spot. You're a
16 state representative. In a conversation I
17 had with then President Bush a few years ago,
18 Texas moved forward, we heard some of our
19 friends here from the Sierra Club and other
20 places saying we ought to move forward with
21 renewables, we ought to move forward in an
22 aggressive way. But Texas, as I recall, was
23 one of first stated that passed a renewable
24 portfolio standard that so much of its
25 electricity was going to come from harnessing

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1 renewable energies. From your personal point
2 of view, and I know you don't speak on behalf
3 of the Governor of Texas, but do you think we
4 ought to do that on a national basis, to
5 actually move forward and create a national
6 portfolio standard so that we get, we
7 accomplish what we have been able to
8 accomplish with wind energy in Texas?

9 TEXAS STATE REPRESENTATIVE MILLER:

10 I think so. I think that our
11 approach to solving our energy problems is
12 what I call a shotgun approach. I think it
13 is going to take all of the above. We
14 recently signed, I guess probably one of the
15 first leases on our state land for solar
16 energy. So, we're not only pursuing wind
17 energy and tidal energy, but we are now also
18 as a state policy pursuing solar energy as
19 well as the ethanol industry in our state.
20 Yes, it's a good program. I think it takes
21 all of the above. Yes, sir.

22 SECRETARY SALAZAR:

23 Thank you very much. Let me
24 make a comment on the renewable set of
25 energies. I do think that there is a great

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1 potential here. We are focused on oil and
2 gas in the OCS, as well as on mostly wind
3 energy, because that's where potential is,
4 especially along the Atlantic. But I think
5 when you look at the maps, that are the best
6 maps that we have in the country which are
7 from the National Renewable Energy Lab
8 located in my home state of Colorado, what
9 they will show is a huge wind potential,
10 mostly in the Atlantic and then up in the
11 Great Plains through Montana and Wyoming, a
12 little out on the Pacific and the offshore.

13 And then, secondly, you will also see
14 huge potential with respect to solar energy,
15 especially in the southwestern part of the
16 United States, including Texas. And there
17 are companies that I know are moving forward
18 with projects that are proposed to generate
19 out from harnessing the power of the sun as
20 much as two thousand four hundred megawatts
21 of power. That's a huge amount of solar
22 power that might be harnessed from the
23 deserts of California, Arizona, Texas,
24 southern Colorado, New Mexico. And so, I
25 would just continue to encourage you to move

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1 in that direction.

2 I was in Atlantic City the day before
3 yesterday, I think it was, I held a similar
4 meeting for this that was held at the
5 Atlantic City. And the convention center had
6 on its roof the largest solar ray in the
7 United States of America. Centrally powering
8 a very large percentage of the needs of a,
9 entire convention center. As we stepped
10 outside and I was thinking about that, it is
11 not the best of sun. We have much better
12 solar energy in your State of Texas, as well
13 as in the southwest.

14 Thank you, very much for your comments.
15 I appreciate that very much.

16 TEXAS STATE REPRESENTATIVE MILLER:

17 Thank you, sir.

18 SECRETARY SALAZAR:

19 I am going to call on a few
20 other people. Darwin Bongrammen. Darwin,
21 are you here?

22 (NO RESPONSE).

23 SECRETARY SALAZAR:

24 Steve Mayley from Lafayette.
25 Steve? Are you Steve?

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1 MR. STEVE MAYLEY:

2 Yes, I am.

3 SECRETARY SALAZAR:

4 Steve Mayley. You're with
5 Badger Oil Corporation, operations manager.

6 MR. STEVE MAYLEY:

7 Yes, sir, Mr. Secretary. We
8 are pleased to have you here today. Thanks
9 for coming. I want to correct a notion
10 before it gets crystalized in anybody's mind.
11 The offshore royalty on new leases is
12 eighteen point seven five percent. Those
13 offshore leases are competitively bid, and
14 that's the bonus consideration that the
15 government receives from that which is
16 generally how the differences between leases
17 are compared. Also, the cost structure of
18 operating offshore makes operating onshore or
19 anywhere else difficult to compare. I made a
20 few notes. On the resource assessments I
21 would caution policy makers to avoid treating
22 those numbers with a lot of decimal points
23 after them as data. They are not data, they
24 are estimates, and best guesses, a reflection
25 of the history of the resource assessments is

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1 that in a ten year time frame between 1996
2 and 2006 the resources estimate for the OCS
3 doubled. The high range of estimates in 1996
4 is lower than the low range of estimates in
5 2006. The lesson we learned from that is
6 where there is activity and new technology we
7 learn more, and these things grow. As far as
8 the East Coast, much of what the resource
9 assessment is based on there is based on the
10 geology from offshore (inaudible) in west
11 Africa. My company is a privately held
12 institution, much like Michael's, that spoke
13 before. We operate mostly on the shelf of
14 the Gulf of Mexico. It's companies like
15 our's who dominate the shelf these days. The
16 majors have left. We have a saying in my
17 company, that we look for little acorns under
18 big oak trees. I will draw a distinction,
19 Mr. Secretary, between the geology of the
20 Gulf Coast, and your home state of Colorado.
21 In the Gulf Coast location is everything. A
22 lease is not a lease is not a lese. The
23 large geologic producing structures that form
24 the basis of the Gulf of Mexico were
25 discovered in the '50s, '60s, '70s, up until

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1 the '90s. That's where our small companies
2 are looking for oil and gas these days. It's
3 incremental. It's based on existing
4 infrastructure. It's not where the nation --
5 It's an important point of the energy supply,
6 but it's where we are going to grow. The
7 majors need to be released where they can go
8 find new, big oak trees. That's going to be
9 in the eastern Gulf, and may be in the other
10 parts of the OCS that have been closed for
11 exploration. That pretty well sums up what I
12 have to say. Thank you for your time.

13 (APPLAUSE)

14 SECRETARY SALAZAR:

15 Thank you very much, Steve.
16 Let me just in response to a couple of your
17 points, first, I recognize that we in this
18 report have estimates. And they are best
19 guesses, at best. And that's why you have
20 the probability tables that are set forth in
21 the report in terms of best guesses. And
22 that's true with respect to renewables as
23 well as it is with respect to oil and gas
24 development.

25 Secondly, I fully recognize the

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1 differential in royalties paid offshore
2 versus onshore. Onshore it's twelve and a
3 half percent. Offshore it's eighteen, and as
4 you said eighteen point seven here in the
5 Gulf. So, I understand that. Then finally
6 with respect to new areas, we did open up
7 lease sale one eighty-one in south, and one
8 of the things we will look at is that
9 possibility as we look at moving forward with
10 a comprehensive energy plan. I appreciate
11 your comments, Steve.

12 MR. STEVE MAYLEY:

13 Thank you.

14 SECRETARY SALAZAR:

15 Kent Sadderly. Kent, are you
16 here? Kent Sadderly with the Sierra Club?
17 Oh, I'm sorry.

18 (LAUGHTER)

19 MR. KENT SADDERLY:

20 Yes, sir. I'm with --

21 SECRETARY SALAZAR:

22 Go ahead. Who are you with?

23 MR. KENT SADDERLY:

24 I am with Shell Exploration and
25 Production Company.

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1 (LAUGHTER)

2 SECRETARY SALAZAR:

3 It's a new partnership. Please
4 go ahead.

5 MR. KENT SADDERLY:

6 Thank you, very much, Mr.
7 Secretary, and thank you for being here in
8 New Orleans. It's been an excellent meeting.
9 Global oil demand is only three percent lower
10 than it was last year. The oil price is back
11 to where it was in 2004, but industry costs
12 have doubled since then. At the same time
13 many producing fields are in decline.
14 Investment will actually fall by twelve
15 percent in 2009 according to Barclay's
16 Capital. When the economy does recover and
17 demand surges, as it did in 2004 to 2007, how
18 you plan to address this, all the abundant
19 reserves that are under your jurisdiction. I
20 just know that in the study that was just
21 completed, it shows that offshore resources
22 are estimated eighty-five billion barrels of
23 oil undiscovered as compared to about
24 twenty-one billion barrels of oil that are
25 currently shown in DOE's proved reserves?

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1 Access, what we would like to say is that
2 access is more than just holding a lease
3 sale. A case in point is Shell's experience
4 in Alaska where we are experiencing a defacto
5 moratorium. There is an indicator of what
6 could happen when new areas are open. In the
7 spirit of good government, we were asking for
8 an efficient well staffed, sensible
9 regulatory process that functions in a timely
10 manner.

11 SECRETARY SALAZAR:

12 Thank you, very much, Kent. I
13 appreciate the difference between pooling
14 reserves as well, and the estimates which we
15 have come up with, and I know the footprint
16 that you have not only in the Gulf, as well
17 as onshore up in Alaska. Thank you for being
18 here and participating in this hearing. Let
19 me see. Whose next here?

20 (APPLAUSE)

21 SECRETARY SALAZAR:

22 Sydney Coffee. Are you here,
23 Sydney?

24 MS. SYDNEY COFFEE:

25 Thank you, Mr. Secretary. We

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1 appreciate your being here. I'm Sydney
2 Coffee and I represent the Americas Wetland
3 Foundation, and specifically our American
4 energy coast initiative. This is a regional
5 initiative that concerns Alabama,
6 Mississippi, Louisiana, and Texas. It's not
7 government led. These are private citizens.
8 And let me tell you a little bit about who is
9 at our table. It's a very diverse group.
10 Everyone from Shell, Chevron, Conoco,
11 Phillips, British Gas to environmental
12 defense, National Wildlife Federation, Pew
13 Center on Climate Change, The Nature
14 Conservancy, Ducks Unlimited, and the list
15 goes on and on, as well as communities that
16 line the Gulf Coast. Our ports all along the
17 Gulf Coast, navigation industry, fisheries,
18 every interest you can imagine are sitting at
19 this table. Last July we released an accord
20 for sustainability. We released that in
21 Houston. This past December we released an
22 action framework that comes directly from
23 that accord. And we have made those things
24 available to you. We think that it could be
25 of great value to you, some of the things

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1 that we have come up with that address
2 sustainability of the region. By building
3 consensus for a long time we seem to have
4 been on each side of the fence yelling at
5 each other from one extreme to the other. We
6 believe, as I think you have heard, and I
7 know I have heard President Obama say several
8 times, we must have the spirit of
9 collaboration. That must be true
10 collaboration. I don't think that we are
11 going to develop true sustainability,
12 especially of this region, unless you have
13 that collaboration from all sides of the
14 situation. We believe very strongly that
15 there must be a comprehensive balanced
16 approach. That no national, truly balanced
17 national energy policy can be effective
18 unless it takes into the heart of it this
19 region. We are the laboratory, if you will,
20 of sustainability. Before we can go forward
21 and expand the way we look at energy in our
22 future we must look at who has brought us to
23 the table so far. What's happening here on
24 this Gulf Coast, what's happening in the way
25 of sustaining it, that it's not an either or

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1 situation. We must be concerned with
2 sustaining both the economic activities that
3 happen on this Gulf Coast that are so
4 important to the rest of the country. That
5 the rest of the country depends on so vitally
6 and the environmental platform that it so
7 desperately depends on. A very vulnerable
8 platform I might add, and just in Louisiana
9 alone it is being lost. This land is being
10 lost at the rate of seventeen square miles a
11 year. And that comes from USGS figures. So,
12 I urge you to use us when you can. We have a
13 tremendous amount of expertise and experience
14 that sits around this table. And we have a
15 great deal of information that I think could
16 be very valuable to you as you address this
17 Gulf region, which is truly America's energy
18 coast. Thank you.

19 SECRETARY SALAZAR:

20 Thank you, very much, Sydney.
21 Blessed are the peacemakers. I guess that's
22 what we will call you.

23 MS. SYDNEY COFFEE:

24 It's not easy.

25 (APPLAUSE)

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1 SECRETARY SALAZAR:

2 Thank you for that
3 presentation. Let me say that there are
4 still a number of other people who want to
5 speak. And we want to make sure that the
6 Department of the Interior gives each and
7 everyone who wants to speak to us an
8 opportunity to continue this conversation.
9 And, so, this afternoon, Don Aurand from MMS
10 will facilitate this session beginning at one
11 p.m.. I will close it up at this point with
12 a few comments. Before I do that I want to
13 give another round of applause to Brenda and
14 to Bob for their great work in pulling
15 together the report on (inaudible).

16 (APPLAUSE)

17 SECRETARY SALAZAR:

18 I want to give you a round of
19 applause, because you care about this issue,
20 and you have taken your day to come and give
21 us your input for half a day and beyond.
22 Some of you may end up being here until eight
23 o'clock tonight night. So, let's give all of
24 you a round of applause.

25 (APPLAUSE)

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1 SECRETARY SALAZAR:

2 Let me just make a couple of
3 closing comments. We do need to have the
4 comprehensive energy plan that people have
5 spoken about this morning. And it's going to
6 be a broad comprehensive energy plan. The
7 imperatives that I spoke about at the
8 beginning of this session are the imperatives
9 of our time. And that is why this is a
10 signature issue for President Obama and our
11 nation. It's about jobs and economic
12 security here in America. It's about making
13 sure that we finally address the national
14 security issue that confronts our country
15 because of our over dependence on imported
16 oil, and indeed gas.

17 And, thirdly, that we address the issue
18 of environment security that confronts our
19 globe at this point in time. So, we will
20 move forward and we will develop a
21 comprehensive energy plan that will be one of
22 the signature issues of this Administration.

23 I am confident that we will be able to
24 find some common ground. There will be areas
25 where we may disagree as we move forward, but

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1 I hope there will also be areas where we can
2 agree on ways that we can forge a way forward
3 together in our planet. It think it was
4 fitting that Sydney in her final comments
5 talked about how organizations likes Ducks
6 Unlimited and the Wildlife Federation can
7 come together with the oil and gas world,
8 because there is so much that can be done
9 relative to how we protect and preserve the
10 treasured landscapes of America, our
11 coastlines, our rivers, our national icons
12 and our history if we find ways of working
13 together. And I also recognize that we have
14 an economy that is dependent today on our
15 conventional fuels. Whether its the fifty
16 percent of our electricity that comes from
17 the coal which we produce onshore in this
18 country of our's, or whether it's the
19 twenty-seven percent of our oil that is
20 produced here on the Gulf Coast for the
21 United States of America, that all is an
22 important part of our energy portfolio. So,
23 we'll try to strike the right balance.

24 Now, in my time as Secretary of the
25 Interior, which I think is now in its

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1 seventy-fifth or seventy-sixth day, I have
2 tried to move forward with an agenda that
3 finds balance and that does include lots of
4 different pieces of an agenda. And so, yes,
5 I don't believe it is appropriate for us to
6 drill everywhere, to turn over every rock.
7 To make sure we are staying away from our
8 national icons and our national parks. But
9 as I said earlier, we also have gone ahead
10 and we have made available an additional
11 million acres of lands to be leased in the
12 western part of the U.S. We have made
13 additional leased sales in the Gulf Coast and
14 we will find the right balance at the end. I
15 think that most people in America would want
16 us to address the economic security, the
17 national security, and the environmental
18 security issues that confront our country.
19 And I pledge to you to as Secretary of the
20 Interior, and on behalf of President Obama
21 that we will try to come up with that
22 comprehensive energy plan for the United
23 States of America. Thank you all, very much.

24 (APPLAUSE)

25 (OFF THE RECORD)

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1 P R O C E E D I N G S

2 (AFTERNOON SESSION)

3 MR. DON AURAND:

4 I want to run through very
5 briefly how the afternoon is going to work
6 because it's a little different format than
7 we had this morning. When you came in and
8 signed in, if you wanted to speak you were
9 given a speaker number card. It's an
10 alphanumeric card. You will be called up in
11 groups. There was a little miscommunication
12 this morning. The ones come first, then the
13 twos, then the threes. All of the people in
14 that group will come up at one time. So
15 there are six cards that have numbers and a
16 group of six people will come down. You can
17 go to any of the microphones. There were
18 some complaints of constraints this morning
19 because of the video cameras. You can go to
20 any of the three, and we have already
21 checked, you can see the timer which is in
22 the center of the stage from all three
23 microphones. It will count down three
24 minutes. At two minutes and thirty seconds
25 it will turn to yellow. At three minutes it

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1 will turn to red. We would ask that when
2 you see the red light, if you have not
3 already done so you bring your comments to a
4 close. That's the format.

5 Now, there is one other part to that,
6 and that's Ms. Laura Essex will be going from
7 place to place to pick up your number card.
8 You may wonder why we do that. It's hard for
9 the court reporter to capture names exactly
10 right, but the number allows you also to
11 identify the proper spelling of your name
12 from the registration list. We get the cards
13 in the order that you speak. Then we can
14 figure out exactly who you were and what the
15 right spelling is. When you speak she will
16 come by and pick up the cards. We have
17 rewired the sound slightly so that the sign
18 language interpreters can hear you a little
19 clearer. If I need to I will ask you to
20 either get closer to the mike or whatever,
21 but that's a requirement for the
22 interpreters. That's the basic format.

23 One other thing, we do have a court
24 reporter, he was here for the morning
25 session. He will be here for the afternoon

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1 session. Your comments will be recorded and
2 the transcript will be provided to MMS.

3 And the final item basically is the
4 panel members who are all from MMS and who
5 are here to listen to your comments, this a
6 little different format than the Secretary,
7 this is not a give and take format. So they
8 won't be responding to your comments, unless
9 it's some very simple, yes, no, answer. But
10 rather they are here to listen and to take
11 notes and to incorporate that into their
12 deliberations over the draft proposed
13 program. So, on my immediate left is Mr.
14 Chris Oynes who is the associate director for
15 Offshore Energy and Minerals Management.
16 Next to him is Dr. Jim Kendall, who is the
17 chief of the environmental division. Next to
18 Jim is Rene Orr who is the chief of the
19 leasing division. And at the far end is Mr.
20 Lars Herbst who is the regional director for
21 the Atlantic and Gulf of Mexico. That's the
22 basic format. In order to make this work we
23 want to run through the general rules that
24 you all saw this morning, or if you were here
25 this morning you saw as to how to make my job

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1 easier, basically.

2 So we have a few basic ground rules we
3 want to cover. First of all, all of you are
4 here because you want to make a contribution
5 to the development of a comprehensive energy
6 plan for the offshore. That plan, as the
7 Secretary indicated, is going to include all
8 of the various energy resources. We all have
9 that as a goal, but for that to happen we are
10 going to have to have some rules to maintain
11 order in the hearing room. The basic rule is
12 for all of you to be generally respectful of
13 each others' right to make a comment, whether
14 you agree or disagree. We are going to run
15 through those rules very quickly.

16 Everybody who is in the room, whether
17 you are commenting or not, we would ask that
18 you be respectful of those that are making
19 statements, and allow them to complete their
20 statements without interruption. We would
21 ask that you refrain from cheering,
22 whistling, applauding or any other way
23 interrupting the presentations. If you do
24 have a cell phone, now is a good time to turn
25 it off, or to put it on vibrate so it's not a

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1 disruption. If you could, please avoid any
2 side conversations in the auditorium itself,
3 this is -- the acoustics in here are pretty
4 good. We will have a series of breaks at
5 approximately one hour intervals. If you
6 want to discuss the issues with your
7 colleagues, or with other people who are in
8 attendance, that's perfectly fine to do
9 during the breaks.

10 And, finally, we really hope that you
11 engage, learn, and participating in this
12 important part of the whole process. Now, if
13 you signed up to speak you should have
14 receive a speaker's card when you registered.
15 If you didn't get one you can still do that.
16 As I said, we are going call the speakers in
17 numerical order so you will be coming up in
18 groups of six. When you do come to the
19 podium, or to the microphone, state your
20 name, and if you are representing an
21 organization, state what organization that
22 might be. Try to limit your comments to the
23 three minute slot that you have available.
24 We have given out enough cards that we will
25 have difficulty in completing the list of

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1 people who want to comment, unless we stick
2 with the three minute rule. We are going to
3 enforce that fairly strongly, but it's the
4 only way to be sure that everybody gets a
5 chance to make a comment that's asked to do
6 so. And, again, if you can, please, behave
7 in a civil and respectful manner towards all
8 the other hearing participants, and
9 especially to the speakers. Now, if you
10 don't want to make an oral statement now, or
11 if you have additional comments that you want
12 to submit there is information on how to do
13 that on the board. You can, if you have them
14 with you, you can turn them in to Brad Blithe
15 who has been walking around most of day from
16 the Department of the Interior, or you can go
17 on the internet and go to [www dot DOI dot gov](http://www.doi.gov)
18 and look at the bottom of the page and you
19 will see a link to more information about the
20 report and hearings. If you click on that
21 link it will take you to a site that will
22 tell you how to file written or online
23 comments. If you prefer, you can just go to
24 [www dot DOI dot gov](http://www.doi.gov), back slash OCS which is
25 the same site.

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1 Okay. I'm sure this is repetitive for
2 some of you, but I thank you for your
3 attention, and I also thank you for coming
4 out and for participating in a constructive
5 manner. Following the rules and being
6 constructive are the keys to having a
7 successful meeting. So let's go ahead and
8 get started. To do that I need the first six
9 people, if you have a one on your card, one A
10 through F, just pick a microphone. We won't
11 take you A, B, C, D, E, F. We will just take
12 you in whatever order you get to the
13 microphone.
14 Okay.

15 MS. SANDY FURY:
16 Good afternoon. My name is
17 Sandy Fury. I am the manager of the
18 Legislative and Regulatory Advocacy for
19 Chevron's Gulf of Mexico Business Unit. I do
20 appreciate the opportunity to address you
21 this afternoon. Chevron is the third largest
22 producer of oil and gas in the United States.
23 We are one of the largest producers in the
24 Gulf of Mexico, and our focus is on
25 developing new OCF production to help meet

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1 America's energy needs. Stabilizing and
2 strengthening our economy is a top priority.
3 An expanded offshore access is represented by
4 the proposed MMS 2010 to 2015 OCS plan will
5 play a very important part in our nation's
6 economic recovery. Every barrel of oil and
7 cubic foot of gas produced under this plan
8 offsets the purchase of the same amount from
9 overseas which increases our energy security
10 and improves our balance of payments. Our
11 country's energy future is not a choice
12 between oil and gas, and alternatives.

13 Independent studies have demonstrated
14 over and over again that we need to develop
15 all forms of energy. Even with conservation
16 an aggressive development of renewables and
17 alternatives oil and gas will remain critical
18 in meeting America's energy needs for decades
19 to come, a point that Secretary Salazar has
20 made, as well. In the same way it should not
21 be viewed that MMS is considering a choice
22 between OCS development and the environment.
23 we need development and environmental
24 protection. The oil and gas industry has
25 proven it has the technical capability and

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1 the operating procedures in place to minimize
2 environmental impact. And we continue as an
3 industry to improve that capability. The
4 MMS's five year plan and subsequent leasing
5 programs have multiple environmental reviews
6 steps both problematic and project specific
7 which are robust and address the effects of
8 exploration and production activities on
9 human, marine and coastal environments. We
10 have a few specific recommendations about the
11 five year plan to offer. MMS should hold to
12 the current September 21, 2009 deadline for
13 comments and then move forward quickly to
14 develop and publish the final plan. The plan
15 should identify high priority newly available
16 areas for leasing in the early years of plan
17 implementation. The MMS should support
18 lifting the statutory moratoria on the
19 eastern Gulf of Mexico. This area is the
20 most likely to bring new oil and gas
21 production to consumers as its geologically
22 similar to areas of existing production and
23 its close proximity to existing
24 infrastructures, such as pipelines and
25 support facilities. MMS should pursue

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1 leasing of the former moratorium areas with a
2 prioritized and phased approach. Given
3 limited government and industry resources not
4 all areas can be leased and explored at once,
5 but should be prioritized based on known
6 potential for successful development.
7 Chevron has provided written comments with
8 specifics during the prior phase of this rule
9 making and will update those recommendations
10 in our next written submittal. We thank you
11 for the opportunity to comment and we look
12 forward to working with the agency on this
13 very, very important program. Thank you,
14 very much.

15 (APPLAUSE)

16 MR. DAVID RENNIE:

17 My name is David Rennie and I
18 am exploration vice president for BP in the
19 Gulf of Mexico. BP supports the MMS proposed
20 five year leasing program for 2010 to 2015.
21 We appreciate the opportunity to participate
22 in this public meeting. BP supports in all
23 of the above energy policies. This means a
24 diverse portfolio of energy sources,
25 including oil and gas, renewable

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1 alternatives, and the efficient use of all
2 energy.

3 These are challenging times, but the
4 global economy will recover, and when it does
5 it will mean increasing amounts of energy to
6 grow.

7 Our nation's ability to maintain this
8 leadership position in the world will depend
9 on diverse supplies of energy from all
10 sources. Globally the world uses roughly
11 eighty million barrels of oil a day. The
12 U.S. consumes a quarter of this, about twenty
13 million barrels of which we import sixty
14 percent, or twelve million barrels. BP
15 supports the Administration's view that
16 energy security is inseparable from national
17 security.

18 Logically, the U.S. must produce more
19 energy of all kinds, and import less. BP is
20 the largest producer of oil and natural gas
21 in the U.S.. We are also the largest
22 investor of energy sources from oil and gas
23 to bio fuels to wind and solar. While we are
24 committed to alternatives we realize that it
25 will be many years before they can make a

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1 large contribution to the U.S. energy mix.
2 It is our strong belief that the greatest
3 potential source for new domestic energy is
4 the oil and gas that lies off our shores on
5 the Outer Continental Shelf or OCS. We
6 support access to areas of the OCS previously
7 off limits to leasing, including the eastern
8 Gulf of Mexico.

9 The Gulf of Mexico has been producing
10 for over fifty years. Today it accounts for
11 more than almost one quarter of the oil
12 produced in the U.S.. One key to the long
13 life of the Gulf of Mexico is its geological
14 complexity. It has not given up its prize
15 easily. Today exploration wells target
16 reservoirs lying as much as six to seven
17 miles below sea level. These wells can cost
18 between one hundred and two hundred million
19 dollars. And on an average only one in three
20 of these will find sufficient oil or gas to
21 develop. When discoveries are made the
22 projects to bring them to production often
23 require the development of new technology.
24 This results in projects which are hugely
25 expensive and require many years to deliver.

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1 That said, the projects are being delivered
2 and continue to be delivered with a safety
3 and environmental track record that will be
4 the envy of any industry. What has enabled
5 our industry to address these challenges has
6 been a stable and predictable regulatory and
7 fiscal regime. This would be just as
8 important in the future, if not more so, as
9 the remaining resources will be increasingly
10 difficult to discover and expensive to
11 develop. In summary, BP supports the MMS's
12 proposed five year plan for 2010 to 2015 in
13 the Gulf of Mexico as a critical component of
14 that plan. We believe that a stable and
15 predictable regulatory and fiscal regime will
16 insure that the Gulf of Mexico remains a
17 major contributor of the U.S. energy mix for
18 many decades to come.

19 Thank you.

20 MR. DON AURAND:

21 If I can, it's really important
22 to make sure you are close to the microphone
23 so that we up here on the panel can hear you.
24 It does come out of the -- if the height is
25 totally wrong you can take it off the stand,

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1 but if you can try to be close it would help.

2 Thank you.

3 MS. SARAH BENAZEK:

4 I'm Sarah Benazek, senior

5 economist for the American Petroleum

6 Institute, which represents nearly four

7 hundred companies involved in all aspects of

8 the U.S. oil and gas industry. We welcome

9 the opportunity to present the industries

10 views on the MMS's proposed five year plan.

11 America's oil and gas industry recognized --

12 oil and gas companies recognized that

13 securing America's energy future calls for a

14 multi faceted approach. We know that we need

15 increased energy efficiency and alternatives

16 such as wind and bio fuels. Many of our

17 companies are leaders in those fields

18 investing heavily in such technologies for

19 decades. However, an equally vital component

20 is increased supplies of oil and gas. Oil

21 and gas are the life blood of the nation's

22 economy and are vital to energy security.

23 They keep our transportation systems running,

24 heat and cool our homes, our work places, and

25 are the basic components or thousands of

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1 consumer products, as well.

2 So, we must reject the false dilemma of
3 choosing either one form of energy or another
4 and chose both because our economy require
5 all forms of energy, and we need all forms of
6 jobs. Increased oil and gas development is
7 vital to our nation's economic recovery. All
8 areas of the OCS should be open without delay
9 for oil and gas development. This would be
10 more jobs, more revenues for cash strapped
11 local state and federal governments and
12 greater energy security. But for nearly
13 thirty years our government has taken the
14 opposite approach. For nearly thirty years
15 roughly thirty percent of the OCS was kept
16 off limits to oil and gas development. Today
17 oil and gas supply well over sixty percent of
18 the energy needs of American consumers. At
19 the same time solar and wind energy supply
20 less than one half of one percent of our
21 energy. The USEIA estimates that even with
22 growing renewable energy oil and gas will
23 still provide more than half of the nation's
24 energy for decades to come, so we need to act
25 now to increase access to domestic oil and

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1 gas resources to meet our current and future
2 energy needs. In the nearly three decades
3 much of the nation's oil and gas resources
4 were inaccessible to development. MMS's
5 assessments of the western Gulf of Mexico oil
6 resources were growing rapidly as exploration
7 unmasked the true potential of that area.
8 After the moratorium ended and response to
9 years of tight energy markets depicted by
10 rising energy prices a new five year planning
11 process was launched to include leasing in
12 these areas. The long established planning
13 process is a careful detailed regulatory
14 process and it includes three public comment
15 periods conducted by the UBMMS. I urge the
16 MMS and the Department of the Interior to put
17 this process back on track as soon as
18 possible.

19 Because of the many ways Americans can
20 benefit from increased production of domestic
21 resources oil and gas leasing development on
22 federal lands and in OCS waters have
23 generated nearly ninety-five billion dollars
24 from 1998 to 2008 through bonus bids,
25 royalties, lease and rental payments. A

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1 recent ICS study has found that opening up
2 areas of the OCS can generate one point three
3 trillion dollars for local, state, and
4 federal governments. The study also found
5 thousands of jobs would be generated in 2030
6 if inaccessible areas were open for
7 development. Recent polls have also shown
8 that Americans strongly support increased
9 domestic energy development. As recently as
10 February more than sixty percent of Americans
11 supported new offshore development. Energy
12 policy makers should heed the good judgment
13 of the American people and act expeditiously.
14 Every day that we delay costs Americans jobs,
15 reduces revenues, and undermines our national
16 security.

17 I will end my comments there and I thank
18 you.

19 (APPLAUSE)

20 MR. KENT SADDERLY:

21 Good afternoon, my name is Kent
22 Sadderly. I am a formerly with the Sierra
23 Club, now with Shell Exploration Production
24 Company.

25 (LAUGHTER)

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1 MR. KENT SADDERLY:

2 Shell is a major producer of
3 oil and gas in the Gulf of Mexico and has a
4 significant lease holding in the Alaska OCS.
5 Thank you for this opportunity to discuss the
6 critical role of the OCS in America's energy
7 future. I commend the Interior Department
8 for holding this series of stake holder
9 meetings. With all Americans concerned about
10 jobs and the economy the meeting are very
11 timely. A comprehensive energy policy is
12 critical to our economical recovery. We are
13 hopeful that Congress and the administration
14 will develop a plan that addresses today's
15 reality. Let me highlight a few. First, we
16 are concerned that our nation has been
17 lulled, once again, into complacency by the
18 drop in the price of oil and natural gas.
19 These commodities are now trading at about
20 one-third the price we saw last summer. But
21 the energy challenges that dominated
22 headlines and gripped households last year
23 has not vanished. It is simply hidden by the
24 current economic downturn. When the economy
25 recovers the energy challenge will return

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1 with a vengeance. We urge the Department of
2 the Interior to take the necessary steps in
3 the five year planning process to provide the
4 access to the raw materials our industry and
5 our nation need to secure our energy future.

6 Second, we are concerned that the debate
7 will default to the same old all or nothing
8 voices. Either alternative energy and
9 conservation or fossil fuels. Such a
10 deadlock will not lead to forward progress.
11 The facts are clear. Growing global demand
12 dictates that all sources of energy and
13 efficiency will be needed to fuel economic
14 growth. Offshore development is a crucial
15 part of a U.S. comprehensive energy policy.
16 Our nation should not return to a blanket
17 moratorium. A moratorium is neither a
18 strategy nor a solution, and access is more
19 than just holding a lease sale. And I gave
20 an example of our Alaska operation a little
21 bit earlier and I won't repeat that. But
22 after three billion dollars of investment and
23 three years trying to permit we have yet to
24 spud an exploration well. We also believe
25 that the Department and Congress must address

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1 states rights and revenue sharing. Keeping
2 eighty-five percent of our own OCS off limits
3 for decades while spending trillions of
4 dollars to import energy needs is not sound
5 policy.

6 we have the technology, we have the
7 expertise. The OCS can be explored and
8 developed safely and responsibly and to the
9 great long term benefit of our nation.

10 Thank you, very much.

11 (APPLAUSE)

12 MR. DON AURAND:

13 I have only got four out of the
14 six people. Is there anyone else here who
15 had a one on their card?

16 (NO RESPONSE).

17 MR. DON AURAND:

18 Okay. We are going to pause
19 for just a minute. I would like to call Mr.
20 Garrett Graves to come to the microphone.
21 Mr. Graves represents the office of the
22 Governor of Louisiana.

23 MR. GARRETT GRAVES:

24 Thank you, very much. I
25 appreciate your efforts to receive public

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1 input on this important proposal.

2 we strongly support the public approach
3 and the principal approach that you are
4 taking to receive input for OCS expansion.

5 we believe that it plays an important role in
6 (inaudible) of energy policy. We strongly
7 support the increase of renewable energy
8 sources and increasing energy efficiency
9 efforts in the state, keeping in mind that
10 billions of dollars and incentives have been
11 previously spent in the United States, in
12 fact, as I recall, from the previous
13 Administration, the United States spends more
14 money on research and development than any
15 other nation in the world, but keeping in
16 mind that that investment still results in
17 significant subsidies, and significant
18 incentives for those energy sources that
19 remain uncompetitive when compared to
20 conventional fuels. In addition, our energy
21 infrastructure in the United States remains
22 heavily dominant and reliant upon oil and
23 gas, from our pipelines, our refineries, to
24 our gas stations. We must keep in mind the
25 important role that conventional energy

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1 sources will continue to play a role in any
2 comprehensive policy.

3 Rather than continuing to import sixty
4 to seventy percent of the oil that we consume
5 in the United States, and growing, we believe
6 that we have safe, abundant domestic supplies
7 of energy. Rather than relying upon
8 Venezuela, relying upon Nigeria, and other
9 volatile sources in the Middle East, again,
10 we have safe, stable energy sources in the
11 United States that can be produced under
12 environmentally sensitive conditions.

13 Keeping in mind today that twenty-seven
14 percent of our domestic oil production in the
15 United States comes from our OCS, fifteen
16 percent of our natural gas production comes
17 from our OCS, significant reserves, in fact,
18 the largest reserves that, as I understand
19 are recoverable, have been identified in the
20 Gulf of Mexico. Significant reserves, as
21 previous speakers have noted, also exist in
22 the East Coast, some areas in the West Coast,
23 and Alaska.

24 We must continue to evaluate and
25 consider the expansion of the OCS as part of

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1 that comprehensive energy policy.

2 I participated in hearings in
3 Washington, D.C. before the U.S. House of
4 Representatives Natural Resources Committee.

5 I watched the two previous hearings, and the
6 subsequent hearing, and listened to speaker
7 after speaker project or hypothesize about.
8 the drastic impact production would cause
9 upon their fisheries, their maritime, and
10 other issues in their offshore waters. I
11 just suggest to you, rather than relying upon
12 the guesses of some folks that have never
13 actually participated in nor seen oil and gas
14 production. I point you to a couple of
15 statistics here in Louisiana where we produce
16 nearly eighty percent of all offshore energy.

17 We are one of the top tourist
18 destinations in the world. We have five of
19 the top fifteen ports in the nation. There
20 were suggestions that by producing offshore
21 oil and gas you would displace much of your
22 maritime industry. We have both. We have
23 five of the top fifteen ports in the nation,
24 to a large extent, that does not include oil
25 and gas production related vessels.

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1 We are the top producer of fisheries in
2 the continental United States, and we are the
3 fourth state in terms of recreational fishing
4 programs in the nation.

5 Another issue that was brought up was
6 oil spills. I would like to address that as
7 well. Is there a threat? Sure, there is
8 a threat. But one of the things you can do
9 to reduce the threat is by producing oil and
10 gas closer to areas where it is produced.
11 There is a much larger threat, and as I
12 recall, and eight hundred percent chance of a
13 spill from transporting the oil versus
14 actually producing it.

15 Looking at Hurricanes Katrina and
16 Rita. I think that there is a pretty good
17 record that resulted from those storms. And
18 I commend MMS for applying lessons learned
19 from the spills that did occur during those
20 storms to insure the resiliency, and
21 improving the regulations upon offshore
22 producers to prevent future spills.

23 I am not going to stand here and say
24 that impacts don't exist from offshore
25 production. They do. I think that when you

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1 look back historically the technology
2 developed here, we produced more here over
3 the last several decades than anywhere else
4 in the world. We have had impacts, but as
5 the previous speaker said, the oil and gas
6 industry today, the offshore is one of the
7 most technologically advanced industries in
8 the world. We believe that much efficiency
9 has been incorporated into their offshore
10 efforts. Environmentally sensitive measures
11 have been adopted in many cases. We believe
12 that the residual impacts can be mitigated.
13 And the Congress passed in 2005 the Coastal
14 Impact Assistance Program. It's a great
15 example of ways to mitigate those impacts.

16 In addition, there are cumulative
17 impacts that we encourage MMS to continue to
18 look at, and it has been a major issue for
19 the State of Louisiana, but again, we believe
20 the Gulf of Mexico Energy Security Act is a
21 mechanism to begin to mitigate for those
22 cumulative impacts. We very much urge MMS to
23 pass the final regulations that we believe
24 Congress intended for the Gulf of Mexico, the
25 Energy Security Act so the State of Louisiana

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1 can very aggressively attempt to reduce the
2 impacts and mitigate from the impacts that
3 have our occurred in our state over the last
4 several decades.

5 The last thing I want to say is, I put
6 two land mines on your radar screen. The
7 first is that I heard policy maker after
8 policy maker say over the last fifteen years
9 that we should not produce oil and gas and
10 expand areas because it's going to take years
11 to get that production on line.

12 Folks, we have heard that said for
13 several years. What has happened. We have
14 had extraordinary price spikes, and had that
15 production started ten years ago, or had
16 those areas been opened up or leased ten
17 years ago, we would have had significant
18 increases in domestic production to help
19 prevent some of those price spikes that we
20 have seen at the consumer level.

21 The last point I am going to make is we
22 have very strong concerns that some of the
23 tax proposals are being incorporated into the
24 FY Ten budget submission. Clearly, Congress
25 and the Administration supported a very large

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1 stimulus package. That package is designed
2 to incentives or try to stimulate the
3 economy, and provide jobs in the United
4 States.

5 We believe that it is contrary to the
6 intentions of that legislation, and contrary
7 to those goals to, on the flip side,
8 increase, and heavily increase tax on the oil
9 and gas industry, particularly when it's
10 going to continue to play a vital role in our
11 comprehensive energy policy. And those taxes
12 would have a significant impact on reducing
13 jobs that are related to that industry in the
14 United States. Thank you, very much.

15 (APPLAUSE)

16 MR. DON AURAND:

17 Thank you, Mr. Graves. Okay.
18 We are you up to number two, two-A through F.
19 Any order works, and any microphone.

20 MR. ERIC SMITH:

21 This will be brief. I am Eric
22 Smith. I am the associate director of the
23 Energy Institute here at Tulane. Is it
24 working?

25 MR. DON AURAND:

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1 Yes. Get closer.

2 MR. ERIC SMITH:

3 We are happy to have you all
4 here, obviously. And we think these are
5 interesting issues to bring to the table. My
6 concerns are primarily about the economy. I
7 think that the tax proposal, the thirty-one
8 or thirty-two point seven billion, depending
9 on how you count, made up of ten or twelve
10 different small taxes, primarily in the
11 upstream arena are counterproductive. I
12 think that if Congress really wants to have a
13 a flexible tax, and the ability to moderate
14 gasoline prices in order to push conservation
15 they ought to tax gasoline at the pump. I
16 don't think they will be willing to do that,
17 but I think that it's a lot more flexible
18 system than if you are constantly trying to
19 adjust depletion rates, and all of these
20 other tax issues that people have brought to
21 the floor.

22 As far as drilling off the coast, I only
23 have one comment. I think that you heard it
24 over and over again today. When the
25 Secretary was speaking on issues about, well,

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1 do we have really good data on the East and
2 west Coast, we have twenty-five year old
3 seismic data, technology has moved along a
4 bit since then. I have not heard any
5 proposals about any potential cost sharing as
6 a way to get new seismic data to be able to
7 make these decisions. I don't know if
8 anybody at MMS can control that, but I think
9 it's something that ought to be on the table.

10 Other than that I would concede my time
11 to the following speakers.

12 (APPLAUSE)

13 MR. GARY MAZE:

14 Good evening, my name is Gary
15 Maze. I am with Devon Energy. I work off
16 the mouth of the river. I have probably been
17 in and around this business for forty years,
18 and just wanted to put my comments in about
19 the environment and the national security and
20 stuff. I lived there when Katrina hit. We
21 have lost due to the coastal erosion and
22 stuff like that, due to that I had to
23 relocate. I was a commercial fisherman for
24 years. So, I have worked in and around the
25 oil industry, and probably in the ten years I

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1 did that I had probably had no days lost due
2 to pollution. I just wanted, you know
3 the people in the oil company, the guys
4 working on the rig, there are probably no
5 more people in this country that is more
6 pollution conscious than us. You know, if we
7 get pine oil in the water, we don't care for
8 that, you know, so you are talking minimum
9 pollution, you know, comparing that to the
10 dead zone that we receive every year coming
11 down from the river that just puts a lot of
12 the Gulf of Mexico out of service as far as
13 the fishing industry. I have seen
14 recreational fishing, I have done that. As
15 far as like sports and stuff coming down, I
16 have counted numerous boats from people from
17 Florida pulling their boats down here to go
18 fish the rigs. In fact, one day I think I
19 counted like ninety boats all with Florida
20 license plates on them. So, if you are
21 concerned with the environment, and the rigs,
22 and the fishing, and the jobs it's generated,
23 the schools it supports, the community it
24 supports, and national security, I think Ms.
25 Landrieu said -- talked about world war II.

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1 The study in history, I think that was one of
2 the downfalls of Germany, was the lack of
3 petroleum to keep their war machine going.
4 So, I mean, let's don't create that problem
5 for us. You know, give us the opportunities
6 to go out and work and develop these leases,
7 create jobs, create tax for the community,
8 and have a prosperous country. Thank you.
9 (APPLAUSE)

10 MR. COREY BREAUx:

11 Hello, my name is Corey BreauX.
12 I work for Devon Energy. I work offshore
13 seven and seven. I am kind seeing a
14 firsthand impact to the environment myself,
15 which really is none. You know, we very
16 rarely, if any at all, put any water in the
17 Gulf. It's very clean. The technology is so
18 advanced nowadays that we have very little
19 chances of pollution. I believe that
20 offshore energy is very important to our
21 economy. It puts a lot of people to work
22 along the coast of Texas, Louisiana,
23 Mississippi, and Alabama. And those taxes
24 are also generated into the state and federal
25 government, you know, from the royalties.

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1 There are a number of people talking about
2 the environmental impacts of the industry.
3 It's kind of personal to me, because of where
4 I am from. I live close to the Barataria
5 Terrebonne estuary, and there is a lot of
6 coastal erosion, but it's not, in my opinion,
7 it's not the blame of the oil companies.
8 Yes, there were canals dredged for pipelines
9 and things like that to drill wells, but we
10 also have the biggest land builder not far to
11 the east of us, over here, the Mississippi
12 River that the Corps of Engineers channeled
13 to go straight out in the Gulf, but of course
14 that's another subject. We can get on that
15 later. But that's the main reason for
16 coastal erosion is this lack of fresh water.
17 It's not the dredging of the canals and
18 things like that.

19 Another important point I would like to
20 talk about is the fisheries. I mean, we have
21 in that area the Barataria Terrebonne estuary
22 provides most of the seafood for the -- you
23 know, in the continental United States. As
24 was stated before, if there was such terrible
25 environmental impacts from the oil industry,

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1 then we would not be doing those things. We
2 have been seeing the oil field down for, you
3 know, since probably the '40s, early '50s. I
4 am fairly young, so, I am not really sure
5 when it started, but I know it's been around
6 for that long. So, like Mr. Maze said, there
7 is plenty of people come fishing down here
8 from many different parts of the country,
9 charter fishing. And where they go fishing,
10 they go to the offshore platforms. I see it.
11 I see boats from Florida. I see boats from
12 Texas. I see boats from Alabama. I see
13 boats from Mississippi, all of them coming to
14 the Gulf platforms to bring their charter
15 fisherman or commercial fisherman doing the
16 same thing, coming to the platforms. I don't
17 understand the environmental impacts they are
18 talking about when they are coming down here
19 to, you know, fish the fish that are sitting
20 by these platforms. It's got be one of the
21 reasons is because they don't have them. So,
22 that's all I got to say. Thank you all for
23 the opportunity.

24 (APPLAUSE)

25 MR. ALLEN VERRETTE:

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1 Good afternoon, and thank you
2 for listening to our comments. My name is
3 Allen Verrette. I am a third generation oil
4 and gas individual. My son is a fourth
5 generation industry person. And I have
6 severe doubts that my grandkids can get in
7 the oil and gas industry, looking at some of
8 the adverse print and press that we have
9 gotten as an industry.

10 The offshore operators committee is an
11 organization of some one hundred thirty
12 producing and service companies who conduct
13 essentially all of the OCS oil and gas
14 exploration and production activities in the
15 Gulf of Mexico. Comments made today on
16 behalf of OOC are submitted without prejudice
17 to any of our member's right to have or
18 express different or opposing views. OOC's
19 members and associates are strongly
20 supportive of the expansion of offshore
21 drilling to other areas of the country. We
22 urge the agency to consider how effective our
23 industry has been in the development of the
24 Gulf of Mexico into a significant provider of
25 domestic energy to America in its role in

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1 providing a significant number of jobs for
2 Gulf Coast residents and residents throughout
3 the country. Tax, rents, lease bonuses and
4 royalties from the OCS are the second largest
5 contributor to the nation's balance sheet and
6 is a continued source of revenue to the
7 treasury. The industry has shown that the
8 frontier areas off our coast can be safely
9 explored and produced of its resources in an
10 effective and environmentally friendly way.
11 Industry has invested in the necessary
12 infrastructure to develop the Gulf of Mexico
13 OCS into a mature oil and gas basin that
14 allows the economic recovery of small
15 reservoirs that would not be possible without
16 the infrastructure that has been built. Oil
17 and gas development off our coast can and
18 should play an important role in meeting our
19 country's energy needs and reduce a
20 dependency on importing of foreign energy
21 sources. By using our country's resources
22 and providing jobs for many of our citizens
23 we can also affect the security of our
24 country by reducing a dependency on foreign
25 energy sources. We urge the agency to grant

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1 the industry the access it needs to provide
2 the development of America's resources for
3 America's needs. We believe that our
4 industry has the technology and operating
5 experience it needs to safely and effectively
6 develop other areas of the OCS and thus
7 provide the country with the capability and
8 most importantly the infrastructure to find
9 and produce oil and gas resources that lie
10 off our coast. We urge the agency to proceed
11 with a plan that provides access to our
12 industry to continue our efforts to supply
13 America with the energy for the foreseeable
14 future. Thank you.

15 (APPLAUSE)

16 MS. CASEY DEMOSS ROBERTS:

17 Good afternoon, thank you for
18 being here. I am Casey Demoss Roberts and I
19 am with the Gulf Restoration. We are
20 headquartered here in New Orleans. The RGN
21 is a coalition of local, regional, state,
22 national environmental and citizen
23 organizations, as well as thousands of
24 individuals committed to uniting and
25 empowering people to protect and restore the

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1 natural resources of the Gulf region. Our
2 organization has worked for many years on
3 protecting coastal resources and I would like
4 to talk to you a little bit about the
5 environmental impacts that we're concerned
6 about. Louisiana is a (inaudible) tale of
7 oil and gas development. Our coastal
8 wetlands have been horribly damaged by this
9 activity. And it's estimated that forty to
10 sixty percent of Louisiana's coastal wetland
11 loss is either directly or indirectly due do
12 the impacts associated with the oil and gas
13 industry, like discovery, pipeline,
14 transport, storage and refining. We
15 understand many of these impacts are
16 associated with historic activities. But,
17 nevertheless you still have to have
18 pipelines, pipelines mean well and loss. We
19 also understand there has been a lot of
20 improvements on oil and gas development. And
21 more improvements are expected with research
22 and development dollars. We are wondering
23 why bother. We have technology that exist
24 today to move beyond oil and gas. We have
25 solar, we have wind, geothermo units, the

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1 list goes on. I know there is a lot good
2 people here who are concerned, legitimately
3 concerned about the future of the oil and gas
4 industry, much like at the turn of the last
5 century horse traders, horse drawn buggy,
6 manufacturers of wagon wheels repairmen were
7 also very concerned about what this emerging
8 new car industry was going to do to them.
9 But I would like to continue that analogy and
10 say, how many jobs did the car industry
11 create. Again, we are at the turn of another
12 century, another technology has emerged and I
13 think we should move forward with that. Of
14 course cleaning up after the horse drawn
15 industry was a lot easier than cleaning up
16 after the oil and gas industry is going to
17 be. For instance, the industry has yet to
18 mitigate the legacy of past and current OCS
19 activity in Louisiana's coast, forces of
20 erosion subsiding in saltwater intrusion
21 continue largely unchecked. And cities like
22 New Orleans become more and more at risk due
23 to hurricanes and tropical storms. Our
24 marshes, swamps, barrier islands that we are
25 losing in large part due to the oil and gas

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1 industry constitute our natural coastal lines
2 of defense which allow our communities to
3 exist here. This is why we don't support
4 opening up the eastern Gulf of Mexico to more
5 oil and gas development. There was a
6 compromise that was found in 2006, the
7 section of lease area one eighty-one. We
8 would prefer that you go ahead and support
9 and maintain that compromise and leave
10 Florida to the beautiful place that it is.
11 Thank you.

12 (APPLAUSE)

13 MR. DON AURAND:

14 If I can ask all of the
15 speakers, there is a little bit of an echo up
16 here on the stage. So I know this is a
17 conflicting requirement here, we want you to
18 get done in three minutes, but if you speak
19 slowly and distinctly it will be a little bit
20 easier for everybody up here to see and hear
21 what you say. So try to balance those. The
22 sound seems perfectly fine out there, but it
23 is a little blurred up here. It works okay
24 if you are not talking too fast, but do what
25 you can to work with that. We need anyone

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1 with a number three.

2 MR. JEFFERSON LUDENT:

3 My name is Jefferson Ludent. I
4 am vice president of Woolpard, a mapping
5 surveying and remote sensing firm with
6 offices throughout the U.S.. I am also here
7 representing as president elect of MAPPS.
8 The Management Association of Private
9 Proto-geometric Surveyors. That is an
10 organization of one hundred and sixty firms
11 that engage in geospatial activities such as
12 my firm. My point here today is that
13 regardless of whether one is for or against
14 offshore energy exploration and development,
15 one must recognize the need for current
16 accurate ocean and coastal data upon which
17 wise resource management decision can be
18 made. Geospatial technologies including as
19 satellite and airborne imagery, remote
20 sensing, mapping, charting and bathymetric
21 surveys, and many other technologies can play
22 a major role in our Department's plan for
23 energy development of the U.S. Continental
24 Shelf. You may be familiar with the U.S.
25 Ocean Commission, the Pew Commission, as well

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1 as several National Academy of Science
2 reports that have all recommended the need
3 for a comprehensive integrated oceans and
4 coastal mapping program. This coastal
5 mapping program should include the following.
6 It should improve coordination and support
7 for an annual mapping and charting
8 initiative. It needs to identify
9 opportunities and define standards for data
10 acquisition, processing and distribution to
11 insure the broadest use of this data across
12 agencies. It needs to let out contracts to
13 the private sector for the collection and
14 creation of future data assist to include
15 shoreline delineation, satellite imagery,
16 land use and land cover mapping, habitat
17 mapping and territorial topography. It also
18 should include observations taken through the
19 integrated oceans observing system sponsored
20 by NOAA. It would also be good if the
21 coastal mapping program could create a
22 seamless geodetic framework. As we know now
23 a lot could have been learned earlier about
24 the levee system if we had a good geodetic
25 control survey network in place in New

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1 Orleans.

2 And, lastly, it should arrive at a
3 nationally consistent definition of shoreline
4 in terms of a title datum. The associated
5 surveying charting and remote sensing for
6 America's coast is critical to our nation's
7 most basic activities including energy
8 development.

9 And lastly, we would ask that the
10 Mineral Management Services is currently
11 working with NOAA on a multipurpose marine
12 (inaudible) pursuant to section three
13 eighty-eight of the Energy Act of 2005. I
14 would just strongly urge that the Interior
15 Department work with NOAA to fully fund and
16 implement this program. Thank you.
17 (APPLAUSE)

18 MR. ANTONIO MORALES:

19 As head of a national business
20 organization I thought I would invoke a five
21 minute rule that was allowed to me in the
22 front, please.

23 MR. DON AURAND:

24 Can we have your name, sir?

25 MR. ANTONIO MORALES:

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1 I'm sorry, Antonio Morales, I
2 am the national commander of the American GI
3 forum, a Congressionally chartered veterans'
4 organization. The American GI forum as a
5 national Congressional chartered service
6 organization was founded in 1948 by civil
7 rights leader, Dr. Hector P. Garcia, in March
8 of 1948 serving Hispanic veterans and their
9 families across our nation. While Latinos
10 make up nine point four percent of the
11 actively listed servicemen in Iraq and
12 Afghanistan we compromise seventeen point
13 seven percent of the front lines and eleven
14 percent of the military deaths in this
15 engagement. We have a very real stake in
16 America's energy and national security. But,
17 for the record, the first casualty of the
18 Iraq was a young Hispanic immigrant and the
19 latest casualty is a young man from Puerto
20 Rico whose body has been delivered to his
21 parents today. We strongly support including
22 all the thirty-one leases in the twelve areas
23 proposed for our oil and gas exploration and
24 productions in the OCS five year plan under
25 consideration for 2010-15. The question,

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1 the desirability of the plan put forth by the
2 previous Administration on its last days in
3 August was prudent on the part of Secretary
4 Salazar. And we commend President Obama and
5 the Secretary for promoting renewable energy
6 resources and increasing energy efficiency in
7 our nation. A policy first adopted by
8 President Carter after the oil shocks of
9 1970, some thirty years ago, but firstly
10 abandoned by the Reagan Administration in the
11 early 1980s. The proposed level of leasing
12 in the 2010 to 2015 OCS plan is appropriate
13 given the tremendous energy demand of our
14 nation and our need to produce more energy
15 domestically in the worldwide environmental
16 track record in offshore oil and gas
17 production, importantly for two decades given
18 as U.S. and world demand for energy and U.S.
19 imports continue to grow and the price of oil
20 spark at nearly one hundred and fifty dollars
21 per barrel. The federal government denied
22 American access to the large amounts of oil
23 and natural gas on the seventy-five percent
24 of the OCS until Congress lifted this ban on
25 October 1, 2008. There are ten year lead

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1 times and staggering financial investments
2 and technology challenges in the quest to
3 discover oil and gas on the open seas and
4 waters ten thousand feet deep and in
5 established production. Moving forward
6 expeditiously not to develop this much needed
7 resource is supported by more than sixty
8 percent of the American people, especially
9 important given the twenty year prohibition
10 on developing these resources on our behalf.
11 More than half of the world's oil is
12 concentrated in an inherently unstable Middle
13 East where America's Armed Forces are placed
14 to protect the flow of forty percent of the
15 world's oil through the Straits of
16 (inaudible). Even with this maximum
17 development of alternative energy sources
18 such as wind energy and solar energy and
19 nuclear power world demand for oil it will
20 grow by thirty-five percent and natural gas
21 by fifty-three percent in over twenty years.
22 These technologies will not power our cars,
23 trucks and planes for decades to come. Our
24 nation must find and produce more domestic
25 oil and natural gas to meet its demand for

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1 such resources and to reduce our dependency
2 on unstable sources of supply. Linger
3 memories of the infamous Santa Barbara oil
4 spill in 1969 should not distort our analysis
5 for the fact of our need for increased
6 offshore and gas production or our ability to
7 achieve this goal with degrading our
8 environment. The worldwide environmental
9 track record in offshore oil and gas
10 production from Norway to the Gulf of Mexico
11 is remarkable. Today's drilling and the
12 environmental technology has advanced to a
13 point where less oil is spilled in production
14 in the Gulf of Mexico than in -- than seems
15 natural into the environment. As a result
16 arbitrary buffer zones along our coast that
17 will continue the ban on development of some
18 of our most promising and known reserves,
19 including a dozen offshore California fields,
20 should be rejected by the Department. The
21 DOI, Department of the Interior might
22 consider the valuable public information
23 campaign to improve public understanding in
24 this area so that irrational fears do not
25 compromise our efforts to meet U.S. energy

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1 needs. Just think how much further along we
2 could be in renewable energy and other energy
3 technologies if we hadn't derailed their
4 development in the early 1980s. A
5 miscalculation thankfully addressed by
6 President Obama and Congress in 2009. Let's
7 make sure we are -- we increase OCS
8 exploration and production of oil and gas by
9 moving ahead with the thirty-one leases in
10 the twelve areas proposed as part of the 2010
11 to 2015 OCS plan. Otherwise, ten or twenty
12 years from now, perhaps oil at three hundred
13 barrel, and gasoline at ten dollars a gallon,
14 we or others still be around will be looking
15 back at our decision on the 2010 to 2015
16 asking how we could have been so short
17 sighted. Implementation of these leases
18 contains in the plan will pay great dividends
19 to the American people, including increasing
20 U.S. energy supply, reducing the dependence
21 on unstable and hostile foreign sources of
22 energy, creating tens of thousands of new
23 jobs, maybe hundreds of thousand in time on
24 high unemployment that we now face. Excuse
25 me. Generating hundreds of billions of

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1 dollars in tax revenue for our federal and
2 state governments. The American GI form
3 March 23, 2009 letter to the chairman of the
4 U.S. Senate Committee on Energy and Natural
5 Resources on January 26, 2009 letter to
6 Secretary Salazar on the same general subject
7 are attached. The U.S. energy supply will
8 make us more secure, stronger as a nation and
9 reduce the odds of our young men and women
10 being put in harm's way. The American people
11 deserve no less. Thank you.

12 (APPLAUSE)

13 MR. LOUIE MILLER:

14 Good afternoon, my name is
15 Louie Miller. I am the state director for
16 the Mississippi Sierra Club. I have reviewed
17 the document and I want to focus your
18 attention at this time to one of the concerns
19 that we have which is Gulf Islands National
20 Seashore which lies off the Mississippi Gulf
21 Coast. The only references that I saw was on
22 page one hundred two to this resource. As
23 you may know it is a unit of the National
24 Park System. It has been under a great
25 amount of pressure for oil and gas

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1 development. The governor of Mississippi,
2 Hailey Barber had opened the seashore, it
3 sits in state waters. Mississippi has a
4 twelve mile boundary, unlike a lot of other
5 states. The islands actually sit in there
6 with a one mile buffer zone around those
7 islands. The concern that we had was those
8 areas being opened up to oil and gas
9 development. I have a chart here, a map that
10 I'm sure you can't see, but these are the
11 blocks that are numbered, hand numbered here
12 that were in state waters, but the federal
13 waters begin three miles south of the barrier
14 islands. A coalition was formed of business
15 interests, environmental interests, and
16 tourism interests to combat what the
17 legislature and Governor Barber put into
18 place. It was named the Twelve Mile South
19 Coalition to emphasize that any rigs be
20 twelve miles south of the barrier -- nautical
21 miles south of the barrier islands. A
22 coalition was comprised of the casino
23 industry, the tourism industries and every
24 municipality on the Mississippi Gulf Coast
25 adopted the resolution supporting the Twelve

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1 Mile South Coalition. Every county
2 government, every chamber of commerce, except
3 for one, supported this reasonable position.
4 One of the things that was mentioned on page
5 one zero two is that Mississippi's tourism
6 industry is fueled by the casino industry,
7 which we consider to -- at this point is the
8 second largest -- only behind Nevada, in
9 gaming square footage. Unfortunately, during
10 this time in which all this was being
11 sheparded through or run through the
12 legislature, Senator Cochran introduced a
13 bill that was put into the Tsunsami Relief
14 Act of which I will refer to, and give you a
15 copy of it.

16 How can I enter these into the record?
17 Just hand them to this lady here?

18 MR. DON AURAND:

19 That will work fine.

20 MR. LOUIE MILLER:

21 This is the legislation which
22 actually allowed drilling under Gulf Island's
23 National Seashore. Since that time there has
24 been a reversal in the governor's position in
25 not adopting, or not promulgating rules and

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1 regulations for offshore oil and gas
2 development. One -- The biggest concern we
3 have which you need to go no further than
4 Louisiana to see is the geologic phenomenon
5 subsidence. This is the sinking of land
6 mass. Gulf Island is no exception to this
7 rule if oil and gas or drilling were allowed
8 to occur there. These islands sit only a
9 mere two to three feet above sea level in
10 some instances. As Congressman Gene Taylor
11 said this morning, they actually are what we
12 call a speed bump for hurricanes, and you can
13 look no further than what happened with
14 Katrina, and how much more devastating that
15 tidal wave would have been --

16 MR. DON AURAND:

17 Can you summarize your
18 comments, please?

19 MR. LOUIE MILLER:

20 I am sorry about that. Anyway
21 we would respectfully request these lease
22 blocks be held in abeyance, and the ones that
23 have been leased, that a buyout program be
24 instituted. Thank you.

25 (APPLAUSE)

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1 MS. JILL MAESTROTOTOURO:

2 Good afternoon, my name is Jill
3 Maestrototouro. I am with the Sierra Club,
4 senior field organizing manager based here in
5 Louisiana. And support for the club across
6 the five Gulf Coast states is in excess of a
7 hundred eight thousand members. I appreciate
8 the opportunity to be with you this
9 afternoon. I am going to, if you will
10 indulge me, read from my prepared statement
11 that I did provide this morning, but I am
12 happy to also include in the record, again,
13 this afternoon.

14 I certainly want to thank Secretary
15 Salazar, and the Department of the Interior
16 for inviting citizens nationwide to directly
17 share their thoughts on the future of
18 offshore development on the Outer Continental
19 Shelf. Historically the Gulf Coast as been
20 front and center on the OCS issues. We view
21 these regional meetings as significant
22 opportunities to direct the nation toward a
23 clean energy future that protects the
24 environment, provides good jobs, and supports
25 public health. We urge the DOI to insure

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1 that no new drilling on the OCS occurs in
2 areas that were previously by the moratorium.

3 All my other Sierra Club colleagues
4 today here speak regarding environmental and
5 public health threats from oil spills and the
6 need to protect sensitive areas from future
7 and present energy development. I will
8 reiterate our resolve for no new drilling on
9 the Gulf Coast in areas that have not yet
10 been leased, and that the Sierra Club fully
11 opposes seismic exploration on the OCS.

12 We fully support the Department of
13 Interior's push for more offshore wind
14 development. Wind offers an energy solution
15 that can be adopted now. And the technology
16 is well established to grow it as an energy
17 supply.

18 A 2005 study done by Stanford
19 University found that Louisiana has the
20 greatest potential in the U.S. for offshore
21 wind production. I have included a map with
22 my comments that demonstrate that off the
23 Louisiana coast the state has a premium class
24 seven wind belt. As this wind belt requires
25 further study, and as the data in this report

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1 does provide with that which was presented
2 this morning, it's obvious that additional
3 resources need to be invested for restoring
4 wind power and other renewable energy
5 resources off the Louisiana coast and the
6 other Gulf states. And we request that
7 happen.

8 We recognize that, too, that new
9 offshore wind projects should be responsibly
10 sited and fully abide by NIPA (phonetically)
11 guidelines.

12 There is also a study by Southern
13 Alliance For Clean Energy in February of this
14 year which demonstrated the southeast has
15 sufficient renewable energy resources to fill
16 an aggressive national mandate for renewable
17 energy, and those states included Louisiana,
18 Mississippi, Alabama, and Florida,

19 Furthermore, leasing of the Gulf Coast
20 to additional offshore or exploration is
21 unlikely to create more jobs in the short or
22 long term. There was an article in the New
23 York Times on March 15 of '09 that showed
24 there was a glut of oil and gas already on
25 the market that would result in little

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1 incentive for industry to expand their
2 current operation.

3 As President Obama launched a goal for a
4 green economy to create green collar jobs,
5 not blue collar, or white collar, but green
6 collar jobs, and fight global warming, we
7 recognize that an investment in green jobs
8 and clean energy creates almost four times as
9 many jobs as does investing a comparable
10 amount in the oil and gas industry.

11 In closing. a September '08 study found
12 that a one hundred billion dollar green
13 investment would create two million jobs, yet
14 the same investment of the oil industry would
15 create a little over half a million jobs.

16 Obviously there is a need for additional
17 attention on renewable energy potential in
18 the southeast region in green jobs
19 development. We request DOI support and
20 pursue investing of offshore renewable energy
21 technologies.

22 Thank you.

23 (APPLAUSE)

24 MR. DON AURAND:

25 Okay. We are up to people who

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1 have number four A through F. Number four.
2 I would respectfully ask one more time that
3 you please try to keep focused on the timer,
4 because we really do need to try to keep the
5 comments to three minutes if we are going to
6 get through everybody in a reasonable period
7 of time.

8 Thank you.

9 MR. BARNEY BISHOP:

10 Good afternoon. My name is
11 Barney Bishop. I am president and CEO of the
12 Associated Industries in Florida. We are the
13 state's affiliate for the National
14 Association of Manufacturers. We have ten
15 thousand companies. We were founded in 1920.
16 In December of 2005 we became the first
17 business group in Florida to endorse
18 exploration and drilling for fossil fuels.
19 We did this in conjunction with former
20 Florida Governor Jeb Bush, who became the
21 first politician that was brave enough to
22 suggest that we should be drilling for the
23 natural resources that were important to
24 Florida. Interestingly, Floridians have been
25 supportive of this issue since that time. We

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1 did our first polling in December of 2005.
2 Fifty-nine percent of the people in Florida
3 were in favor of drilling and exploration for
4 gas and oil if it was at least one hundred
5 and twenty-five miles off the coast. We have
6 polled on this annually since then. Our last
7 poll was in October of 2008. And seventy-six
8 percent of the people in Florida are now in
9 favor of drilling for oil and natural gas at
10 least a hundred and twenty-five miles off the
11 shore.

12 In fact, twenty-four percent of the
13 people are willing to drill in their backyard
14 right now if they thought they might get some
15 oil or some royalties. This is an issue that
16 Floridians understand. The business
17 community has understood it for a long time.
18 what we really did not realize was that
19 Floridians understood it, as well. Despite
20 what you may hear from Florida's
21 Congressional delegation, of which most of
22 them are opposed, it's clear that they are
23 not listening to their Florida constituents
24 and, in fact, there is a resolution, a
25 memorial to Congress moving through the

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1 Florida Legislature right now to support
2 drilling off the coast of Florida. We need
3 the jobs. We need to secure our energy
4 future. And Floridians don't really
5 understand why we should not have access to
6 the God given natural resources that are
7 available to us in the eastern Gulf of
8 Mexico.

9 Now, AIF, we appreciate and we
10 understand the needs of the military, but we
11 believe that that can be worked out between
12 the Department of the Interior and the
13 Department of Defense. We believe that that
14 will be -- that that will help Floridians and
15 the United States as we move forward. This
16 is a critically important issue to the
17 business community in Florida.

18 I want you to know that when we do our
19 polling, we don't do push polling. We don't
20 try to get the answer that we are looking
21 for. We want to know what people are
22 thinking. So, we ask the question straight
23 up. It's on our website, [WWW AIF dot com](http://WWW.AIF.DOT.COM).
24 you can go and see exactly how we ask the
25 question, and you can see how the people

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1 answered. I will tell you when we broke it
2 down into coastal areas, in the panhandle you
3 were looking from eighty-three to
4 eighty-eight percent of the people in Panama
5 City and Pensacola, respectfully, who are in
6 favor drilling.

7 Even in southwest Florida, which is
8 normally presumed to be home for
9 environmentalist, over seventy percent of the
10 people in that part of the state were in
11 favor of drilling.

12 We have never advocated on the East
13 Coast, nor the Florida straights, but in the
14 eastern Gulf of Mexico Floridians want
15 drilling. We want drill, baby, drill.

16 Thank you.

17 (APPLAUSE)

18 MR. DAVE MICAH:

19 My name is Dave Micah. I am
20 the director of the Florida Petroleum
21 Counsel. I have some written comments that I
22 have submitted I would like to touch on four
23 or five points. I would like to talk a
24 little bit about Floridians' changing
25 attitudes, the energy needs of my state, the

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1 Destin Dome, and the military issue that was
2 referred to, and the importance of the
3 economics of domestic oil and gas production.
4 And just kind of say dittos to oil and gas
5 related testimony that has come before us,
6 and my remarks will show some of that.

7 I have seen some changed attitudes.
8 I've been with the industry for twenty-four
9 years. I have seen changed attitudes. I
10 have been a Floridian for now more than half
11 a century. I have seen changed attitudes
12 that began in 2004 when we were hit by a
13 number of hurricanes. Then, in 2005
14 Floridians did not see the environmental
15 disaster that was predicted by many in areas
16 where oil and gas was taking place.

17 Obviously, the consequences of price
18 increase added to that change in attitudes,
19 and not only AIF's polls but poll after poll,
20 including newspaper polls have shown public
21 attitudes toward increased exploration and
22 development of our resources is beneficial to
23 the State of Florida. Even the Florida
24 Association of Convention and Visitor Bureaus
25 has on their website their review of the

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1 issue, and they have inextricably looked at
2 the length between tourism and the need for
3 fuel in getting to our great state. And they
4 have recognized that Florida can be a greater
5 part of that.

6 I urge that you look at their review of
7 that issue, as well. They are seeing that
8 need, and they are seeing that tourism needs
9 that fuel to thrive in the state, and we are
10 in two years of recessed tourism in our state
11 as a consequence of not only the economy, but
12 the cost of fuels that took place, as well,
13 and the availability of fuels.

14 With regards to the Destin Dome, we know
15 already that there is a huge resource there.
16 Your own data shows that perhaps three
17 trillion cubic feet has not only been
18 explored for and developed, but came to the
19 final stages of permitting prior to getting
20 into photosynthesization where some of the
21 leases were bought back, but they still
22 remain.

23 That is a critical resource to the
24 state, and in terms of a person who lives in
25 a city, like Tallahassee, where we get all of

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1 our natural gas, that is a hundred and forty
2 years worth of natural gas for a city like
3 ours. It is very critical to us. And if you
4 look at Florida with regards to our energy
5 needs into the future, it is very clear to
6 see that we are going to move from in the
7 thirty percent of our electricity being made
8 from natural gas to mid forties to fifty
9 percent of our electricity being made from
10 that product so, it is very critical to our
11 state's future. Those are public service
12 data which I have shared with you. That's
13 basically no matter what we do. That data
14 was also produced pre-anti-coal-type
15 movements that our state has moved away from.

16 we are going to have an increased need
17 on natural gas. That's a resource in Destin
18 Dome that we can get to. With regards to the
19 military issue, let me just say that we have
20 had drilling windows. We have worked with
21 the Department. And we have worked with the
22 Department of Defense, and resolved many of
23 those.

24 The economics of the state, -- I will
25 wrap up. I realize I have a red flag, but I

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1 did travel a long way to get here. Let me
2 wrap up and say that in economics my state is
3 facing a six billion dollar deficit today as
4 our legislature meets.

5 Legislatures are not coming to me asking
6 about the issue with regards to the resource
7 anymore, they are asking how they can spend
8 the dollars from the resource. Many of them
9 are very concerned about the --

10 MR. DON AURAND:

11 I need you to --

12 MR. DAVE MICAH:

13 -- loss of revenue of sharing
14 to the state.

15 I thank you for my time, and my comments
16 will be supplemented with that.

17 Thank you.

18 (APPLAUSE)

19 MR. ROSS FRAZER:

20 Good afternoon. I am Ross
21 Frazer with ATP Oil and Gas. I am
22 vice-president of engineering and director of
23 UK projects for that organization. And,
24 howdy, from Texas. I would like to open by
25 stating I support the proposed five year

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1 plan. I may not fully agree with every
2 portion of it, but it will give us a starting
3 plan. I actually got a degree in nuclear
4 engineering in 1977. Then I watched as this
5 country made decisions about energy
6 generation on a political rather than
7 engineering or scientific basis. As a result
8 electricity generation by nuclear power
9 withered in the U.S. while it flowered in
10 Europe. Old Europe is now decades ahead of
11 the U.S. in that regard. The same goes for
12 fossil fuel use and development. Now, this
13 industry has identified and solved some
14 staggering technical challenges, and we
15 haven't asked the government for a bail out
16 yet, not even in the 1980s, when over a half
17 a million jobs in this industry were lost in
18 about two years, and I don't think we are
19 going to ask for bail out either. At the
20 same time we sort of are equally donning
21 environmental obstacles, and the public
22 doesn't even know we are there. My
23 unscientific poll that ranges from CEOs to
24 roustabouts finds that they are all lovers of
25 the outdoors. So respect for and care of

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1 that resource is a common thread.
2 Additionally, the competition for the MMS
3 sanction's safe award is very robust. We are
4 all out there to prove we're the safest and
5 most environmentally responsible operators in
6 our area.

7 Now, to wrap up my message. Energy
8 independence is really a stretch goal.
9 However, energy interdependence or security
10 is realistic. Let us explore and produce
11 that which are reasonable environmental and
12 engineering oversights such as what now
13 exists. A solid foundation which those
14 current resources provide can give the
15 privilege of experiencing with a less
16 developed one and choosing those that make
17 the best economic and environmental sense.

18 So, let us explore and develop
19 responsibly in all OCS areas in the same
20 manner that we currently are. I would like
21 to underscore those efforts by showing you
22 all my company's latest deep water project
23 that we are fabricating here in the U.S. and
24 actually on the Gulf Coast. That project
25 alone is employing over four hundred people

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1 and would have provided that employment for
2 about two and a half years when it's finally
3 installed in the U.S. Gulf of Mexico later
4 this year. The invitation is open to you,
5 members of your staff, the administration,
6 any Congressional representatives or members
7 of the media who would like to attend.

8 So, thank you, very much for
9 listening. I hope you come see us at the Fab
10 Yard, and then once we are installed and on
11 production. The fishing is excellent and the
12 coffee is always on.

13 (APPLAUSE)

14 MR. DON AURAND:

15 If I can have everybody with
16 number five. We will take a break after
17 number five.

18 MR. KEN WELLS:

19 Good afternoon. Thank you for
20 giving us the opportunity to speak today. My
21 name is Ken Wells. I am president of the
22 Offshore Marine Services Association. OMSA
23 represents over two hundred and fifty
24 companies involved in vessel activities in
25 the offshore oil and gas sector. Its members

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1 carry the equipment, supplies, and many of
2 the workers needed to explore for energy
3 offshore and to produce those resources. At
4 the risk of grandstanding for a second, I
5 have seen a lot of maritime people here
6 today. Some I'm sure had to leave after this
7 morning, but could I just have a show of
8 hands showing how many people are here
9 related to the maritime industry? Thank you
10 all. A sizeable contingent has hung in here.

11 Our association and our membership
12 strongly supports expanding offshore leasing
13 and urges the MMS to aggressively open new
14 areas for exploration. The country needs it,
15 the President's energy policies require it.

16 When President Obama stated his goal of
17 eliminating our current imports from the
18 Middle East and Venezuela within ten years he
19 took a bold step to protect our economy, and
20 our national security. That is a lot of
21 hydrocarbons. Roughly a third of the oil we
22 consume a year by some estimates. Now, are
23 we serious about this policy, or are we just
24 talking? Because if we are serious about
25 becoming truly independent of the whims of

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1 Venezuela, and the Middle East we can not get
2 there through alternative energy alone, not
3 within the next ten years.

4 Maybe some day in the future those new
5 resources of energy will fill that gap. We
6 support the effort to come up with an energy
7 policy that encourages us to find those new
8 sources of energy, but until that happens we
9 can not meet the President's goals without
10 tapping the oil and gas resources that are
11 within the nation's boundaries. If we think
12 otherwise, we are fooling ourselves. If we
13 tell the world that we are serious about
14 energy independence, and we are not willing
15 to look at our own resources, we are lying to
16 the world.

17 Let's use America's resources to help
18 America achieve energy independence and
19 security.

20 Today, given the economic crisis facing
21 our country, let's use America's resources to
22 help American workers. Offshore oil and gas
23 produces jobs in our offshore areas.

24 Our industry, the boat business brings
25 those jobs. We hire the mariners. We

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1 support shipyards and repair facilities. We
2 spend money on local suppliers of everything
3 from steel to groceries. That spending
4 starts as soon as the first boats go out to
5 do the first surveys of the leased sites.

6 On that note let me say, let's get the
7 surveys going now. We don't even know what
8 we are talking about on the East and West
9 Coast. We need to do the surveys before you
10 can price the assets and before we can
11 determine what this debate is truly about.

12 Let me close by saying that America is
13 going through a difficult debate on this
14 issue of offshore expansion. We have seen it
15 here today. There strong feelings on all
16 sides, but one thing I think we can agree on
17 is that if we are going to open up those new
18 areas for more exploration the benefits of
19 that work needs to go to Americans. That
20 means American vessels and American mariners
21 doing the work.

22 We need our government to insure it does
23 everything in its power to encourage the use
24 of U.S. flag vessels to do the work that will
25 need to be done in the new offshore areas

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1 It's an economic argument. It is a
2 safety and security argument. And most of
3 all it is an argument for doing what is right
4 for the country and its citizens.

5 Again, thank you for giving us the
6 opportunity to speak. We urge you open up
7 exploration as soon as possible.

8 (APPLAUSE)

9 MR. DON BALDAUFF:

10 Hi, I am Don Baldauff. I am
11 chairman of Florida Oil dot org. We are a
12 citizen group, not in the oil industry, that
13 wants to develop the gas and oil industry in
14 the State of Florida. Now, one of the things
15 that you will hear is that that would destroy
16 the tourism industry. I can tell you that is
17 simply not true.

18 Here is the reality. Tourism is number
19 one for generating revenue. When the gas and
20 oil industry is developed they will become
21 number two. That is the only adverse effect
22 it will have on the tourism industry in the
23 State of Florida. That is not a good reason
24 to not develop it.

25 We need to get the politics out of this.

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1 You need to put your Joe Friday hats on, and
2 stick to the facts, and just the facts. Now,
3 the best way for us to control our own supply
4 is to supply ourselves. If you want to
5 invest money in alternative energy, that's
6 great. The best way to generate the revenues
7 is to keep the revenues in our own borders,
8 not sending them overseas. That just makes
9 sense. So, when you consider this, I urge
10 you to pay attention to the facts, and not
11 let people that are altered -- have their
12 thoughts altered by success guilt in the
13 world try to steer us away from doing the
14 right thing.

15 I also want to say I drove seven hundred
16 miles to come to this today. You are doing a
17 good job. I appreciate it. But, I really
18 think because we have talked a lot about the
19 eastern Gulf that we need to have one of
20 these in the Tampa Bay area so that people
21 from the State of Florida can give you their
22 input. I think you would have an excellent
23 turn out. I am extending the invitation to
24 you now. You can reach me at Florida Oil dot
25 org, and I will set up the venue. Thank

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1 you for your time.

2 (APPLAUSE)

3 MR. ED GORDEN:

4 Good afternoon. My name is Ed
5 Gorden. I am a land man for Devon Energy in
6 their Gulf division in Houston, Texas. Devon
7 Energy is an independent natural gas and oil
8 exploration production company with
9 significant operations in the Gulf of Mexico.

10 My job is in the land department, and I
11 am directly involved in the acquisition and
12 maintenance of leases in the Outer
13 Continental Shelf. I would like to thank the
14 Secretary and MMS for this opportunity to
15 speak today about the MMS five year plan,
16 because I believe that increased offshore
17 development will have a positive impact on
18 the future energy needs of our country. It
19 is also apparent that I'm not alone in these
20 beliefs.

21 Polls have indicated that more than
22 two-thirds of the American people support the
23 use of our domestic energy resources for the
24 benefit of the nation. As such, we should be
25 moving as quickly as possible in order to

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1 develop more of our offshore natural gas and
2 oil resources to benefit all Americans. In
3 doing so the MMS should keep in their
4 proposed plan the thirty-one lease sales in
5 the twelve planning areas. It is my hope
6 that additional areas of the Outer
7 Continental Shelf will be available for
8 leasing and development for natural gas and
9 oil resources. I would like to note that as
10 a result of lease payments and rents received
11 from the offshore industry in recent OCS
12 lease sales certain Gulf of Mexico coastal
13 states including Louisiana received
14 thirty-seven and half percent in revenue
15 sharing. Revenue sharing could also help
16 other states that have and support access to
17 leasing in the OCS. In Louisiana, the
18 offshore industry has a direct impact of at
19 least three billion dollars to the state. It
20 creates jobs and currently pays more than
21 five hundred million dollars in salaries and
22 wages to people working in the Gulf of
23 Mexico.

24 I would like to stress that a
25 predictable five year leasing program is

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1 needed. I recommend prompt consideration and
2 approval of a leasing program that expands
3 access to domestic sources of natural gas and
4 oil. Approval would enable private
5 enterprise to anticipate additional
6 opportunities and should encourage private
7 investment in the areas of (inaudible) the
8 companies, and the MMS need in order to
9 better estimate the extent of our offshore
10 resources. Offshore natural gas and oil
11 resources are potentially vast, and the size
12 of offshore resources may be much larger than
13 current estimates. The more we explore the
14 more we know. Once again, thank you for this
15 opportunity.

16 (APPLAUSE)

17 MR. KEITH AL:

18 Good afternoon, thank you for
19 giving me the opportunity to talk to you
20 today. My name is Keith Al. I am chief land
21 man for StatoilHydro in Houston.
22 StatoilHydro is an international oil and gas
23 company based in Norway. We operate about
24 eighty percent of the production which is
25 produced from the Norwegian Continental

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1 Shelf. And in addition we are one of the
2 largest subsea producers in the world. I
3 would like to share with you some ideas. In
4 Norway we successfully manage our continental
5 shelf since first discovery was made in 1969.
6 And a key success factor has been our
7 industries efforts and ability to work in
8 ways that insure co-existence between all
9 interest and (inaudible) involved, like
10 fisheries, tourism and environmental.
11 StatoilHydro has been instrumental towards
12 opening up new areas for exploration and
13 development through this process. I think
14 this is a process that we are going through
15 right now, and I think it is very good.

16 The Norwegian approach has been
17 characterized by several things. The
18 systematic environmental impact assessment
19 which we have in this governmental
20 organizational through NEPA (phonetically).
21 Co-existence with predictable framework for
22 acreage access with strong governmental
23 incentives for exploration, strict standards
24 for self health, safety and environmental
25 performance, and a high focus on financial

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1 incentives to develop technology and
2 practices to improve environmental
3 performance.

4 This systematic dialogue between all the
5 effective stakeholders with legitimate
6 concerns and interest in areas of activities,
7 all of which are priorities of this United
8 States government. And I think that the
9 component you need to listen to, and I think
10 we need to systematically look at opening up
11 new areas of the OCS for development. I am
12 not saying open up the entire area, but at
13 the same time if you systematically open,
14 then I think it will prove to the
15 environmentalists, the tourism, that we do
16 have and act responsibility. StatoilHydro is
17 seeking ways to improving our business. I
18 think we are looking at alternative fuels,
19 CO₂, CO₂ management, sustainable fuels, which
20 is hydrogen and bio fuels and other
21 technology. Our latest large investment in
22 an offshore wind farm in U.K. is an example
23 of how Statoilhydro is emerging into
24 different aspects of energy development.
25 Statoilhydro entered the United States in

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1 2003 and have invested over ten billion
2 dollars in our efforts to grow our business.
3 That is in deep water Alaska and the eastern
4 Appalachian states. So we are intent on
5 helping this nation to grow for the energy
6 needs that it does need.

7 With that in mind I just want to
8 close by saying that StatoilHydro supports
9 the areas of new areas of the Outer
10 Continental Shelf for exploration and
11 development of all energy resources not only
12 oil and gas, but wind, tidal or whatever. I
13 think that we have to look at it all. I
14 think that if we can systematically look at
15 it and grow the energy needs, it's not going
16 to be one. It's going to be hydrocarbons.
17 It's going to be wind. It's going to be
18 solar. It's going to be a combination of
19 all. So we look at all of this irrelevant to
20 the resources that the OCS has. And we need
21 to do it in a timely manner so that we can
22 maximize it potentially. It takes a long
23 time to do these projects. We need to keep
24 that in mind.

25 Thank you for the opportunity to

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1 talk to you to you guys. Thanks.

2 (APPLAUSE)

3 MR. HARVEY FORD:

4 My name is Harvey Ford and I am
5 a formerly retired mechanical and aerospace
6 engineer. My comments are simply a reminder
7 of what natural gas is. We should have
8 learned this in the eighth grade general
9 science, or maybe high school chemistry at
10 the very least. But natural gas is methane
11 CH₄. One carbon atom and four hydrogen
12 atoms. It's the richest -- it's the most
13 hydrogen rich fuel available in nature. It's
14 important to understand what that means and
15 what is looming to be our carbon constrained
16 future. Specifically, when you burn methane,
17 natural gas, in a combined cycle gas turbine
18 to generate electricity you reduce the CO gas
19 emissions by sixty-five percent compared to
20 current coal burning technology. As we talk
21 about reducing CO₂ emissions in the future,
22 to do that without the availability and the
23 utilization of natural gas is just crazy.
24 It's the quickest way we are going to do it
25 and the most reliable way. And an otherwise

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1 very clean environmental way to do it. So,
2 get out your chemical -- your high school
3 chemistry books and remind yourself of this
4 factor, because I think it is going to become
5 more and more important to us in the future.

6 Thank you for your time, and thank
7 you for showing up.

8 (APPLAUSE)

9 MR. MARK STILP:

10 Good afternoon. Thank you so
11 much for being here. I am honored and
12 privileged for being able to speak in front
13 of you all. My name is Mark Stilp. I have
14 traveled here from Washington, D.C.. I
15 currently work for Alaska Wilderness League.
16 We are an environmental non-profit
17 organization in D.C. working to protect
18 Alaska's wild places. I'm a graduate of
19 Tulane University. I was here during
20 Hurricane Katrina, and was able to finish my
21 studies in 2006 in the semester after the
22 storm. It's very great to be here and see
23 the progress that is being made in the city.

24 The campus has changed. It is really
25 exciting to be here. Thank you, very much.

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1 I think the last time I was in this
2 auditorium I was being fitted for my cap and
3 gown. It is kind of exciting to be here on a
4 different note, on a professional note. But
5 I am here because I am passionate about an
6 issue. And I have a job because I am
7 passionate about an issue. I am a little
8 nervous and excited, and I am happy about
9 that, because I am passionate. That's why I
10 am here. I am not here because of a
11 paycheck, or anything else. I am here
12 because of what I have learned at Tulane. I
13 studied issues relating to the Gulf of Mexico
14 to the Mississippi River, to coastal erosion,
15 and I was lucky enough to find an issue that
16 I connected with. Something that I really
17 felt passionate about, and that was the
18 environment. I was lucky enough to find a
19 job at an internship first, and then a job
20 with Alaska wilderness League. I am very
21 passionate about Alaska issues, and saving
22 the greatest places in Alaska.

23 So, I am hoping to keep Alaska on
24 the forefront here. I know we are in the
25 Gulf region, but I do want to talk about

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1 Alaska. I think the most important thing to
2 say is that the current proposed leasing in
3 the Arctic Ocean needs to be postponed until
4 sound science proves that this leasing or
5 this development in the Arctic Ocean can move
6 forward without great risk. There is current
7 data from the MMS and other federal agencies
8 that suggest drilling in the Arctic Ocean,
9 which includes the Barents and the Chukchi
10 Seas north of Alaska would result in up to a
11 fifty percent chance of an oil spill. I
12 think that is just remarkable, fifty percent
13 is beyond comprehension to me. After stating
14 that the MMS states that there is zero
15 technology to clean up such a spill in the
16 Arctic Ocean in these icy waters. And I
17 cannot fathom that we would do something if
18 we don't have the means of cleaning up an
19 incident. And like everyone here has said
20 today, we cannot prevent every spill. This
21 industry is inherently dirty. It is a risky
22 business. And regardless of how great the
23 technology is, we cannot prevent a spill. We
24 do not have the technology to clean that up.
25 There are species, wildlife that depend on

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1 these waters, native communities. And like I
2 said earlier, some places are simply too
3 special to drill. And I believe the Arctic
4 Ocean is one of those places. Native
5 communities that you will hear from in
6 Anchorage will tell you this, and they will
7 have very compelling stories, personal
8 stories that I won't try to summarize.

9 I am very excited for you to hear from a
10 woman named Rosemary Atunuruck, who is from
11 the north slope of Alaska. She is the most
12 convincing, powerful person you will ever
13 hear from. And I am excited for you all to
14 hear from her.

15 So, in summary thank you, very much.
16 we would like it to be known that America
17 wants clean energy and we cannot drill our
18 way to energy to independence. It is simply
19 not possible.

20 Thank you, very much for your time.

21 MR. DON AURAND:

22 It's twenty minutes to three;
23 if you can come back at ten of three we will
24 continue with speakers who have number six.

25 Thank you.

KAUFMAN, HOFFMAN, TAYLOR, WYATT & D'ARCOURT

1 MR. DON AURAND:

2 we have had a few changes. we
3 have Mr. Chris Oynes of MMS who is still on
4 the panel. And with MMS we now have Mr.
5 Steve Textoris who is the chief of the
6 Alternative Energy Projects and Coordination
7 Branch. Then Harold Syms who is chief of the
8 Resource Evaluation Division. Lastly, Lars
9 Herbst who is still on the panel.

10 I need at this point people with a
11 number six. Six A through F.

12 MR. WOODY PACON:

13 Good afternoon. My name is
14 Woody Pacon. I am responsible for
15 development and production activities in the
16 Gulf of Mexico for Marathon Oil. I
17 appreciate your time and opportunity to speak
18 on this important topic today. Marathon is a
19 fully integrated oil and natural gas company
20 operating around the world, and directly
21 employing about thirty thousand people, and
22 indirectly employing tens of thousands of
23 other contractors and vendors. More than
24 eight thousand of those workers are currently
25 completing a three point four billion dollar

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1 refinery extension just down the road here in
2 Garyville, Louisiana. Expansion will
3 increase that facility's capacity for
4 producing clean transportation fuels by one
5 hundred and eighty thousand barrels per day
6 by the end of this year. The refinery will
7 be able to help meet consumer demand for
8 energy, but the question I would pose today
9 is, will production from America's OCS be in
10 a position to provide central raw materials
11 to this and other refineries to help preserve
12 our nation's energy security needs.

13 Marathon understands that America's
14 energy mix in the future will differ from
15 today, but we also realize that oil and
16 natural gas will serve critical roles in
17 America's economic and energy security for
18 decades to come.

19 In fact, the Energy Information
20 Administration at the Department of Energy
21 estimates that even as the country uses more
22 alternative sources of energy, and becomes
23 more energy efficient, oil and natural gas
24 will continue meeting more than fifty percent
25 of America's energy demand in the year 2030.

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1 Given this ongoing strategic
2 importance of oil and natural gas to
3 America's economic and energy security, we
4 believe it is in our country's best interest
5 to develop our abundant OCS resources in a
6 safe and environmentally responsive manner,
7 which is something our industry has clearly
8 demonstrated it can achieve over many
9 decades.

10 This environmental performance was
11 further illustrated over the past four years
12 despite the challenges of record storms in
13 the Gulf of Mexico.

14 The Administration should consider
15 available resources in a comprehensive
16 fashion that takes into account that
17 significant resources could be brought to
18 market relatively quickly through utilization
19 of existing production platforms, pipelines,
20 and other infrastructure already in place
21 in the Gulf of Mexico.

22 Lease blocks currently near the western
23 borders of the eastern Gulf of Mexico
24 moratorium area, including the so-called
25 stove pipe area, should be offered for

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1 leasing while insuring the industry continue
2 to use its exemplary environmental record in
3 order to continue our conservation of
4 valuable ocean resources.

5 The development of these leases would
6 help meet a significant portion of America's
7 shorter energy demand, but the Administration
8 must keep an eye on meeting that demand, and
9 for the longer term, as well.

10 That is why it is important to continue
11 moving forward with plans for leasing into
12 the deeper waters of the Gulf of Mexico and
13 other OCS planning areas.

14 In conclusion, Marathon believes that
15 energy security strategy for our nation
16 should include an emphasis on energy
17 efficiency and conservation, diversity of
18 energy supply, both the geographic and type
19 of energy, and the development and
20 application of technology to access more
21 energy, as well as to reduce the impact of
22 fossil fuel use on the environment.

23 Marathon realizes the energy challenges
24 we face are difficult, and that finding
25 solutions will not be easy.

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1 However, limiting our ability to
2 responsibly accessing federal OCS resources
3 will not put America on the path towards
4 energy security, which should be the goal of
5 both the industry and the Administration.

6 Thank you, very much. I appreciate
7 your time.

8 (APPLAUSE)

9 MS. BETSY BREEN:

10 Good afternoon. My name is
11 Betsy Breen with Conoco Philips. I want to
12 thank you for the opportunity to speak today.
13 Conoco Philips strongly supports efforts
14 by the MMS to begin a new five year program
15 to succeed the current program. A new five
16 year program will define the shape and scope
17 of domestic offshore energy development
18 opportunities and determine the extent to
19 which the nation is committed to addressing
20 its growing energy needs. A new five year
21 program will serve as the foundation for
22 significant investment in jobs, technology,
23 and infrastructure throughout the nation. It
24 will be the catalyst for significant revenue
25 streams into the federal treasury, state's,

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1 and conservation programs.

2 New oil and natural gas projects can
3 take years to develop, which is why the MMS
4 should proceed now with the OCS leasing plan.

5 To secure its energy future the U.S.
6 should keep its doors open to a wide range of
7 energy sources, including drawing upon the
8 funded resources within our own borders.

9 with today's advance technology Conoco
10 Philips is positioned to develop OCS
11 resources safely and responsibly while
12 minimizing the potential impact on the
13 environment.

14 We commend the MMS for asking for
15 comments on all the areas of the OCS. We ask
16 MMS to include all areas of the OCS for oil
17 and natural gas development in the next OCS
18 five year leasing plan for our economic and
19 energy future of a five year leasing program
20 that opens new areas beyond traditional
21 central and western planning areas of the
22 Gulf of Mexico is an important near term
23 policy decision that Washington can make to
24 address the energy challenges now facing
25 America.

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1 On behalf Conoco Philips I appreciate
2 your time today, and consideration. Thank
3 you, very much.

4 (APPLAUSE)

5 MS. SARA BRANCH:

6 Good afternoon. My name is
7 Sara Branch. I am the manager of regulatory
8 affairs for the Offshore Marine Association.
9 Our association represents more than two
10 hundred and fifty companies involved in
11 vessel activities in the offshore oil and gas
12 sector. Our members carry the equipment and
13 supplies and many of the workers needed to
14 explore for energy offshore and produce those
15 resources.

16 Our association believes that it is
17 imperative that MMS open new areas in the
18 Outer Continental Shelf for the exploration
19 of oil and gas resources. Our association is
20 comprised of U.S. flag vessels built in the
21 U.S. by U.S. shipyard workers and operated by
22 United States citizens. It is these U.S.
23 workers who will be employed in OCS
24 activities.

25 we all know how vital the concept of

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1 security is in a post 9/11 world. The
2 maritime industry in the Gulf of Mexico plays
3 a significant part in insuring the security
4 of our economic future.

5 Our nation's offshore energy supply is
6 too valuable to be put at risk of a terrorist
7 attack. With more than four thousand
8 structures and thirty-three thousand miles of
9 pipelines off the U.S. the offshore energy
10 market provides more than a quarter of our
11 domestic oil and gas production.

12 The U.S. flagged vessels within our
13 industry are required to follow strict Coast
14 Guard security regulations. The U.S.
15 licensed mariners onboard these vessels
16 report important security information to the
17 Coast Guard, and maintain Coast Guard
18 approved security plans on all vessels
19 operating in the Outer Continental Shelf.

20 Maintaining a sense of security and
21 safety is something that our mariners are
22 conscious about, and take pride in. The U.S.
23 mariners are required to take security
24 training, and undergo thorough FBI background
25 checks to hold TWIT cards as part of their

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1 U.S. maritime documentation.

2 In Louisiana alone approximately eight
3 thousand maritime mariners have passed
4 security checks and have received their TWIT
5 card.

6 Our industry produces skilled mariners
7 that must complete Coast Guard approved
8 training and pass regular drug and alcohol
9 screening. Our mariners operate in an
10 industry that is statistically safer than
11 most shore-side jobs, and much of the success
12 is due to strict adherence to Coast Guard
13 safety and environmental regulations, and the
14 compilation of mandatory regulatory
15 inspections.

16 As we all know, the U.S. is currently
17 experiencing an unemployment rate of eight
18 and a half percent. The opening of new areas
19 in the Gulf of Mexico for the exploration of
20 oil and gas resources will result in jobs for
21 American companies employing American
22 workers, and reducing our dependence on
23 foreign oil. Clearly, such action is good
24 for America.

25 Thank you for giving us the opportunity

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1 to speak today. Thanks.

2 (APPLAUSE)

3 MR. RICHARD WELLS:

4 I am the vice-president of the
5 Offshore Marine Service Association, or AMSA.
6 AMSA is the national association of offshore
7 marine transportation service industry
8 companies. These companies employ some
9 twelve hundred mariners operating roughly
10 twelve hundred vessels in the Gulf of
11 Mexico, and world wide.

12 The association urges the Minerals
13 Management Service to aggressively move
14 forward to open additional offshore areas for
15 energy exploration for the following two
16 major reason. It helps both the local and
17 national economy, and it will increase our
18 energy security,

19 First, to drill for offshore energy
20 requires support vessels to transport
21 supplies and workers to the rig. Each
22 offshore support vessel used to support
23 energy exploration pays local, state, and
24 federal taxes.

25 According to the most recent AMSA survey

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1 the average tax payment to local governments
2 is at least thirty-nine thousand dollars per
3 year per vessel. In addition these boats
4 spend an average of three hundred twenty-five
5 thousand dollars per year on supplies and
6 maintenance with local suppliers and vendors.
7 Of this at least sixty thousand just goes to
8 the grocery bill for these vessels.

9 The payroll for each vessel is somewhere
10 between seven hundred thousand and a million
11 dollars per year. This yields income taxes
12 to the state and federal governments of
13 approximately a hundred thousand dollars per
14 vessel per year. But this commercial use of
15 a port also justifies improved aids to
16 navigation and harbor dredging, which
17 benefits both recreational users and
18 commercial fisherman. And this is despite
19 the vocal but totally unfounded assertions of
20 the Atlantic City hearing that the drilling
21 offshore would create new risk for the
22 environment and tourism industry. Just ask
23 any recreational or commercial fisherman
24 where the best fishing in the Gulf of Mexico
25 is. They will tell you it is right next to

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1 the rigs. These rigs have created new
2 beneficial habitat for sea life in the Gulf
3 of Mexico. We don't hurt tourism, we improve
4 tourism by oil drilling, and also with the
5 high levels of government regulation, but the
6 oil drilling and support industries have
7 great records and they get better each and
8 every year.

9 Secondly, just as a smart business
10 has a contingency plan to deal with
11 emergencies like fires, flooding, loss of
12 power, this nation needs a contingency plan
13 for our energy supplies with the majority of
14 the current offshore energy coming from a
15 relatively small part of the Gulf of Mexico.
16 One hurricane can shut down a hundred percent
17 of our offshore energy production. Needless
18 to say, as we saw after recent hurricanes
19 when you shut off offshore production it
20 greatly disrupts both the supply of fuel
21 ashore and the prices of fuel. I vividly
22 remember evacuating for Katrina at two
23 dollars a gallon and coming back at three
24 dollars a gallon. It jumped up immediately,
25 overnight because of a hurricane in the Gulf.

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1 If you open -- not if, when you open
2 additional areas a hurricane in the Gulf will
3 therefore only impact a portion of our
4 offshore energy needs. This will moderate
5 the impact on both the supply and the price
6 of this energy. In closing, I again
7 urge you to move swiftly to open additional
8 areas for offshore exploration and thank you
9 for accepting the input of the voters of this
10 country.

11 (APPLAUSE)

12 MR. DON AURAND:

13 Can I have people who have
14 numbers seven A through F? Seven. Anyone
15 with a seven. Okay.

16 MR. DARRELL MAULLICK WILEY:

17 My name is Darrell Maullick
18 Wiley. I work for The Sierra Club as
19 environmental justice organizer here in New
20 Orleans. I would like to add to the record a
21 series of letters that recommend a series of
22 opposition to offshore oil drilling.

23 The first of which is from the
24 Florida Restaurant and Lodging Association.
25 The second is from the Indian Shores Town

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1 Council. The third is from the mayor and
2 city commissioner of the City of Miami. The
3 fourth is from the City of Clearwater. The
4 fifth is from Mardina Beach Town Council.
5 And the sixth is from the Clearwater Beach
6 Chamber of Commerce. All of these express
7 their concern about expanded offshore oil
8 drilling.

9 I would go back to my concerns about oil
10 spills. This morning you talked about the
11 data from 1990 to 1999. That data is now ten
12 years old. We would like to see an
13 additional analysis of oil spills related to
14 Outer Continental Shelf operations,
15 especially in light of Hurricanes Katrina,
16 Rita, Gustov and Ike, and the oil spill
17 impact from those on any future offshore
18 drilling. One thing I would also like to
19 have addressed in the record is the concern
20 of -- the research of Dr. Shea Pendlen of the
21 University of New Orleans that has looked at
22 Louisiana Coastal wetland loss. His numbers
23 relate between forty-five and sixty-five
24 percent of all Louisiana coastal wetland loss
25 can be directly related to oil and gas

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1 exploration or operation. The higher number
2 is when you include in the subsidence from
3 the fluid withdrawal from coastal areas. So
4 I would like that also addressed in looking
5 at your future issues.

6 That is all I have for now. Thank
7 you, sir.

8 (APPLAUSE)

9 MR. DON AURAND:

10 Is there anyone else who has a
11 number which begins with seven? Numbers with
12 eight A through F.

13 (APPLAUSE)

14 MR. COURT RAMSEY:

15 Good afternoon, members of the
16 panel. Thank you for allowing me to address
17 you today and to take part in this --

18 MR. DON ARNAUD:

19 Could you state your name,
20 please sir?

21 MR. COURT RAMSEY:

22 I'm sorry. My name is Court
23 Ramsey, I am the president of Aires Marine
24 Corporation, a mid-size Louisiana based
25 offshore marine service company. We operate

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1 a fleet of twenty-eight lift boats and supply
2 boats that service the oil and gas industry
3 here in the Gulf of Mexico. We are a Jones
4 Act employer, sailing American made vessels
5 and employing only U.S. citizens in our
6 company. I am here today with my safety
7 director, Wycoff McMillian to tell you that
8 we support opening the closed acreage of the
9 Outer Continental Shelf to exploration of
10 minerals. Aires Marine Corporation is a
11 second generation, privately held business
12 that was founded by my father in 1981. We
13 currently employ three hundred persons, most
14 of which call Louisiana home, but many others
15 reside in other states, some as far away as
16 California. You see the U.S. merchant
17 mariner working in the oil patch has the
18 benefit of living where he or she chooses,
19 and reporting for work at regular intervals
20 for extended hitches offshore. So, just to
21 direct employment my company provides jobs
22 for individuals outside of my own state. My
23 payroll for last year totaled twenty-two
24 million dollars. Just the salary alone that
25 I pay is of such a magnitude that it helps

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1 fuel communities all along the Gulf Coast and
2 beyond. My people are licensed, skilled
3 professional mariners that are hard working
4 proud Americans and that and whole family
5 wage jobs. In addition to salaries I offer
6 generous medical and dental plans to their
7 immediate families, along with a 401K
8 retirement plan for which I make matching
9 contributions. Last year I spent
10 twenty-seven million dollars with vendors all
11 up and down the Gulf Coast. From big
12 shipyards employing hundreds to engine
13 suppliers that employed few to Mom and Pop
14 grocery stores in south Texas. My support
15 team comes in all kinds of shapes and sizes
16 and from many different communities.

17 Lastly, I would like to say that in
18 addition to salaries, cost for goods and
19 services, and insurance, I am investing
20 ninety million dollars into new vessels being
21 constructing in Panama City, Florida. This
22 shipyard alone employs over three hundred
23 persons in the north Florida region.

24 In closing, I reiterate that we
25 support opening all OCS areas for oil and gas

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1 exploration. As you can clearly see, just
2 the economics a of midsize company has a far
3 reaching effect beyond my immediate
4 community.

5 Currently in the deep south the jobless
6 rate is lowest, partly because of the type of
7 jobs that I offer and the services that I pay
8 for. Opening other areas on the OCS for oil
9 and gas exploration would have the same
10 effects across the country that would benefit
11 all Americans with stable predictable sources
12 of energy as well as direct employment.

13 Thank you for your time.

14 (APPLAUSE)

15 MR. BOB MCCLURE:

16 Good afternoon, my name is Bob
17 McClure. I am the president and CEO of the
18 James Madison Institute which is a
19 (inaudible) public policy organization based
20 in Tallahassee, but we are a statewide
21 organization in Florida. I want to emphasize
22 also that we are not a lobbying firm. And we
23 do not do contract research. We are an
24 educational and research organization that
25 focuses on opening up the market on a host of

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1 different issues related to public policy.

2 with all due respect to the gentlemen
3 from the Sierra Club, two speakers ago, who
4 cited several municipalities that oppose
5 drilling in the Gulf of Mexico, for everyone
6 that has made some sort of formal declaration
7 in opposition, I can cite dozens, perhaps
8 hundreds of municipalities who are for
9 drilling in the Gulf of Mexico.

10 Moreover we have seen in the last ten
11 years a major transformation take place both
12 at the state elected level and at the
13 Congressional elected level. Whereas ten
14 years ago the Florida Congressional
15 delegation was virtually unianamious in
16 opposition to drilling in the Gulf of Mexico.
17 Today it is more than evenly divided, which
18 has moved much more closely to the public
19 policy view that we have at Madison
20 Institute.

21 Also, in the legislature that the
22 Speaker of the House Memorial twenty-one,
23 Senate Memorial five zero four are both
24 declarations moving through the current
25 Florida legislature voicing their support for

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1 drilling in the Gulf of Mexico.

2 So, I think it is very important to
3 understand and have on public record that
4 whether it is elected officials or whether it
5 is polling of Florida citizens which shows
6 sixty to seventy percent support drilling in
7 the Gulf of Mexico it is clear that
8 Floridians understand that drilling in the
9 Gulf is extremely important. As a fifth
10 generation Floridian which I am, I have
11 watched this for many, many years and the
12 transformation that has taken place has been
13 stunning.

14 I would also like to add a couple of
15 other things. We have discussed much of
16 what is related to economic growth. We have
17 discussed of what is related to national
18 security. We have also discussed and we
19 understand the sensitivity to the
20 environment, but I would like to emphasize
21 something that has been said already. And
22 that is not only are companies producing oil
23 more efficiently now than they were in the
24 '60s, they are doing it without damaging the
25 environment, and that is really important to

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1 understand. The Coast Guard reports that
2 from 1980 to 1999 some seven point four
3 billion barrels of oil were produced in
4 offshore waters. The spills resulted in less
5 that point zero zero zero one percent of the
6 oil produced. which as we all acknowledged
7 throughout today is far less than the amount
8 of oil that naturally seeps up from the
9 bottom of the Gulf of Mexico.

10 I would like to close with this. In
11 2004 and 2005 the State of Florida was hit
12 with ten hurricanes that transposed across
13 the state. Ten hurricanes crossed over the
14 State of Florida into the Gulf of Mexico.
15 what we saw in the Gulf is not one issue
16 related to spillage due to drilling in the
17 Gulf of Mexico.

18 We are also very aware of the tragedy of
19 Hurricane Katrina. Once again, it was not
20 drilling in the Gulf of Mexico that caused
21 any kind of environmental damage. It may
22 have been tankers, there may have been
23 spillage that was already on shore, but it
24 wasn't drilling. As we look to national
25 security, as we look to economic growth and

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1 job creation. As we look to protecting the
2 environment and finding revenues in these
3 very difficult times I urge you to consider
4 providing a strong five year plan that allows
5 for the production of oil and gas.

6 Thank you, very much.

7 (APPLAUSE)

8 MR. DON AURAND:

9 Is there anybody else that had
10 an eight? If I can have speakers who hold
11 cards that begin with nine. Nine A through
12 F.

13 MR. BEE STONG:

14 Good afternoon. My name is Bee
15 Stong and I am with W&T Offshore. W&T is an
16 independent oil and gas exploration and
17 production company with three hundred
18 employees and several hundred full time
19 contractors all of which are one hundred
20 percent directly involved in offshore
21 operation. We have been in business for
22 twenty-five years and we have remained with
23 our primary focus in the Gulf of Mexico. We
24 do not operate anywhere else. We own working
25 interests in approximately two hundred fields

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1 in both federal and state waters and have
2 interest in leases covering approximately two
3 million acres. Approximately seventy percent
4 of our two million gross acreage is held by
5 production. Our production acreage has
6 significant existing infrastructure which has
7 allow us to expand development in a cost
8 effective and efficient manner as we continue
9 to actively participate in OCS lease sales.
10 we plan to continue to acquire and exploit
11 reserves primarily on the Shelf in the Gulf
12 of Mexico. W&T remains committed to the Gulf
13 of Mexico. Even in today's economic
14 environment we remain in the top ten most
15 active operators in the Gulf of Mexico in
16 wells drilled to date this year.

17 Since 2000 we acquired our first deep
18 water interest and we have gradually extended
19 our acquisition and drilling activities into
20 the deeper waters of the Gulf Mexico. We
21 believe this is just a natural extension of
22 our historical activity and experience in the
23 shallow waters of the Gulf.

24 In my role as health safety
25 environmental and regulatory manager for W&T

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1 I can assure you that our industry is
2 dedicated to continuous efforts in improving
3 the compatibility of our operations with the
4 environment while economically developing our
5 domestic energy resources. We take very
6 seriously our responsibility to work with the
7 public, the government and others to develop
8 these resources in an environmentally sound
9 manner while protecting the health and safety
10 of both our employees and the public. As
11 much as W&T has achieved success in the Gulf
12 of Mexico we also clearly recognize the need
13 to support expansion of offshore drilling in
14 other areas of the country. America needs
15 offshore energy. It is critical to our
16 national security that we reduce our foreign
17 oil dependency. This cannot be accomplished
18 without further tapping into the offshore oil
19 and gas supplies. And to this end we
20 strongly urge the MMS to move forward with
21 the five year leasing plan as quickly as
22 possible.

23 In closing, W&T wholeheartedly
24 supports the MMS in its mission to manage
25 ocean energy and mineral resources on the

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1 Outer Continental Shelf, and we would
2 continue to make ourselves available to
3 partner with the MMS to promote responsible
4 use and realize the fair value for these
5 resources.

6 Thank you for the opportunity to
7 speak this afternoon.

8 (APPLAUSE)

9 MR. OSCAR HECKOFF:

10 My name is Oscar Heckoff. At
11 least one person here gave me the impression
12 that the most important thing is jobs. I
13 totally disagree. I am a retired geologist
14 geophysicist, and I am also an expert in the
15 spiritual world, which I will point out means
16 something.

17 Now, when a person is born if its head
18 is too big to come out of the mother's womb
19 somebody has to die. So Mother Nature
20 decided this is a way, well God, the
21 intelligent designer, the creator, this is a
22 way I am going to solve that problem.
23 Anything that happens to the baby, to the
24 child, will be permanently hard wired into
25 the brain. No matter what it is, good, bad

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1 and otherwise. Whether it is loved, hated,
2 yelled at or whatever. Therefore, guess
3 what? We all believe as an absolute fact
4 that economic growth is absolutely essential,
5 it is necessary. All of us in the United
6 States, this Christian country believe as an
7 absolute fact that every human being is worth
8 saving as much as humanly possible,
9 regardless of the cost. I totally disagree.
10 Geologist, well, they study the past. How
11 many people study the past? Well, I got the
12 impression that everybody here is only
13 interested in the present. I belong to the
14 World Future Society, which means I am
15 interested in the future.

16 Nobody seems to be interested in the
17 future here.

18 Astronomers, pardon me, anthropologists
19 are interested in the history of the human
20 race. We geologists are interested in the,
21 well, further back than that.

22 Now, what is the world's greatest
23 problem or problems? Over population and
24 global warming. We humans were not designed
25 to live past roughly eighty years, but yet we

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1 insist on trying to do so. Sea level rise
2 and global warming are going to be
3 catastrophic. Therefore, we had better
4 reduce our population. When we die we are
5 going back to heaven, so it doesn't make any
6 difference how you die, or when you die.
7 There's nothing wrong with being dead. We
8 must reduce our use of fossil fuels, or else
9 we will have a very, very poor quality of
10 life in the future, or as is inevitable, the
11 population of this planet is going to be very
12 greatly reduced. Growth can not continue.

13 what I want to know is what do we do
14 when we run out of fossil fuel. There will
15 be no coal, no gas, no oil. What do we do?
16 (APPLAUSE)

17 MR. DON AURAND:

18 As you can tell, we are having
19 a little trouble with the time. Until we can
20 get that straightened out we are going to
21 also time it on a watch. I will tell you
22 when you hit thirty seconds if it goes
23 haywire. I apologize in advance for any
24 interruptions.

25 MR. LOUIS SKRMETTA:

KAUFMAN, HOFFMAN, TAYLOR, WYATT & D'ARCOURT

1 My name is Louis Skrmetta,
2 S K R M E T T A. I am a third generation
3 ferry boat captain from Gulfport,
4 Mississippi. I am president of Ship Island
5 Excursions, a passenger ferry company
6 operating under contract with the National
7 Park Service as concessioner. We provide
8 transportation to the Mississippi barrier
9 islands. Part of Gulf Islands National
10 Seashore. The islands are approximately ten
11 miles offshore and are some of the last
12 undeveloped islands in the country. Before
13 Katrina my company transported an average of
14 about sixty-five thousand visitors a year to
15 the island, from April through October. Last
16 year our business is coming back. We carried
17 about thirty-six thousand passengers in 2008.
18 Although the Mississippi Gulf Coast lies
19 within the open zone for oil and gas
20 exploration, most of the drilling activities
21 in our region have traditionally taken place
22 about twenty miles offshore, and beyond near
23 the northeast pass area of the Mississippi
24 River and Chandelier Islands, which are in
25 Louisiana state waters. Drilling rigs are

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1 also present in the near shore waters to the
2 east of Gulf Islands National Seashore south
3 of Dauphin Island, Alabama and Mobile Bay.

4 Except for a small gas reserve near the
5 Alabama Mississippi line Mississippi has
6 little to offer the big energy companies. We
7 in the tourism industry in south Mississippi
8 feel very fortunate that most of the drilling
9 activity so far has been well offshore and
10 out of the view shot offered from our scenic
11 Highway 90, high rise condominium resorts and
12 casino resorts, pristine barrier beaches.
13 Mississippi's coast line and marine waters
14 provide the economic blood life or the blood
15 life for the state's biggest income producer,
16 tourism. The Mississippi Gulf Coast beaches
17 and islands are a destination for thousands
18 of vacationing families and are responsible
19 for other local jobs, including employment
20 relating to a world famous shrimp and oyster
21 industry.

22 Over the years jobs -- attempts by small
23 energy companies to set up drilling rigs near
24 the Mississippi tourist beaches, islands, and
25 National Seashore have met with robust

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1 opposition from the public. In May of 2005,
2 without public notification language was
3 quietly inserted into a Tsunami Relief Fund
4 that essentially stripped the traditional
5 authority of the National Park Service to
6 protect and to preserve Gulf Islands National
7 Seashore which -

8 MR. DON AURUAND:

9 Thirty seconds.

10 MR. LOUIS SKRMETTA:

11 -- allows oil and gas
12 exploration, including development and
13 production operations inside the boundaries
14 of the National Seashore. This unprecedented
15 assault on a national park was brilliantly
16 executed under the direction of Mississippi
17 Governor Haley Barber through Senator Thad
18 Cochran's leadership in the U.S. Senate and
19 along with the blessing of the Bush
20 Administration. The bill passed as public
21 109-13, Gulf Islands National Seashore,
22 section 6034.

23 I respectfully request that the
24 Secretary of the Interior review this
25 horrible legislation. Gulf Island National

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1 Seashore is a public treasure that deserves
2 the highest form of protection allowed by the
3 federal government. The islands are just as
4 important as the Grand Canyon, Yosemite, or
5 Yellow Stone, and must be preserved without
6 the threat of harmful industrial activity, or
7 unsightly drilling rigs.

8 The citizens of Mississippi and the
9 American people are entitled to better.

10 MR. DON AURAND:

11 Sir, you are --

12 MR. LOUIS SKRMETTA:

13 The underhanded action taken by
14 Haley Barber and apparently sanctioned by
15 President Bush and his Cabinet borders on
16 criminal.

17 MR. DON AURAND:

18 Sir, I need you to wrap up your
19 comments.

20 MR. LOUIS SKRMETTA:

21 After a major public outcry and
22 hundreds and hundreds of e-mails, even
23 Senator Cochran is now on the record stating
24 that he supports a federal of the leases
25 surrounding Gulf Island's National Seashore.

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1 Please examine the possibility of
2 overturning public law 109-13, and halt the
3 sale of any future federal leases within a
4 twelve mile radius of Gulf Islands National
5 Seashore.

6 Thank you for your time. I will have
7 some additional comments, plus a document
8 commentary presented by the --

9 MR. DON AURAND:

10 We need you to bring it to a
11 close, please. The monitor is down. I am
12 sitting down, but when I stand up that means
13 you have thirty section. Go ahead, sir.

14 MR. STEVE MARCROM:

15 My is Steve Marcrom. I am with
16 the company called Candy Fleet Corporation.
17 We are a boat company running out of
18 Louisiana. We employed about one hundred
19 fifty-eight people towards the end of last
20 year, right now we are down to about a
21 hundred and twenty. I have been listening to
22 everybody. I didn't come with a prepared
23 statement. Everybody is talking about energy
24 independence, and fossil fuels, renewable
25 energy. I don't see how we can have energy

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1 independence if we are still importing oil
2 from overseas. windmills, solar, that's
3 great ideas, and I think it's time, but until
4 there is wind power and they are all running,
5 we still need fuel.

6 To import we are just giving money, our
7 money away to other countries when we need it
8 here. We have probably about eight or ten
9 thousand companies that service the oil field
10 in Louisiana, and Texas, Mississippi, Alabama
11 that are listed in this book here. I would
12 like to give it for the Secretary. It's
13 called Gulf Coast Oil Directory. This book
14 has all the people that are associated with
15 the oil field that paid to get into it.
16 There are many more that are not in that
17 book. They provide hundreds of thousands of
18 jobs for this industry. I came from Florida
19 to work in Louisiana thirty years ago.

20 Right now I have probably fifty percent
21 of my employees that come from Florida and
22 Alabama. I get calls maybe twenty-five
23 thirty times a week from captains in Florida
24 looking for work. There are a lot of people
25 wanting work. There is not a lot here. If

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1 you expand into Florida, the East Coast, you
2 will be providing hundreds of thousands of
3 jobs for other people.

4 That's about all I got.

5 (APPLAUSE)

6 MR. DON AURAND:

7 If we could have people with
8 number ten A through F. Ten A through F.
9 Until we get the timer straightened out, if
10 you see me stand up you have thirty seconds.
11 Go ahead, ma'am.

12 MS. JANE BISHOP JOHNSON:

13 Good afternoon. My name is
14 Jane Bishop Johnson. I am an attorney, a
15 CPA, and a teacher. As I stand before you I
16 represent no one here. I promise you that I
17 would have left a long time ago if I had not
18 promised the American Conservative Union that
19 I would stand here and make a few comments.
20 They are the ones that told me about this
21 meeting, otherwise I would not have know
22 about it. I certainly appreciate your coming
23 down here.

24 Many of the people have taken the
25 comments that I wanted. I don't believe that

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1 technology that would displace oil and gas is
2 reliable at this point. So, I would hope
3 that you continue to drill, and drill
4 vigorously in order to supply our power needs
5 until such time as the technology becomes
6 more reliable.

7 I am a grandmother, and I would hate t
8 see my two beautiful grand daughters driving
9 to Oklahoma and having there car break down
10 because there is no reliable technology like
11 oil and gas.

12 The next think I would like to say that
13 I think that satelllite surveillance has
14 proven that temperatures today are colder
15 than they were during Renaissance period. I
16 really don't understand any of the flap about
17 global warming.

18 I understand that the ozone level is
19 being depleted, but there are sophisticated
20 chemical equations that go along with that,
21 that I won't bore you with, but I hope that
22 you will look and try to do something there.

23 I hope that we are not appeasing other
24 countries who have engaged in complete, or
25 almost total deforestation without

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1 replenishing it, or had no such resources to
2 begin with to engage with for photosynthesis
3 to take place. I hope that you will look up
4 the science of that also. I also want to
5 tell you something from my attorney's eyes,
6 if we do not drill, we are handing a monopoly
7 to OPEC. We are just handing it to them. We
8 are accomplishing for them -- Am I finished?

9 MR. DON AURAND:

10 You have thirty seconds.

11 MS. JANE BISHOP JOHNSON:

12 Okay. We are accomplishing for
13 them what they could not accomplish.
14 Monopoly means power and control.

15 Thank you.

16 (APPLAUSE)

17 MR. CLARK VEGA:

18 Good afternoon. My name is
19 Clark Vega. I am testifying today on behalf
20 of the Louisiana Ammonia Producers on the
21 proposed five year plan for development of
22 the OCS for 2010 through 2015, and to
23 encourage the Minerals Management Service to
24 expand domestic production of the OCS.
25 Currently Louisiana Amonia Producers is a

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1 group of four companies who anhedral ammonia
2 and employ approximately a thousand
3 employees.

4 LAP members consume more than ninety-
5 five million cubic feet of natural gas
6 annually, and make approximately thirty
7 percent of the ammonia produced in the U.S.,
8 eighty per cent of which is used to make
9 nitrogen fertilizers for the nation's
10 agricultural needs.

11 Over the past decade LAP membership has
12 dwindled from ten companies with thirty-five
13 hundred employees to the four companies now.
14 This is due to high natural gas prices
15 previously, and the competition of foreign
16 production. The shrinking of our ammonia
17 industry in Louisiana has also had a negative
18 impact on our local communities in the form
19 of reduced jobs, lower state and local taxes,
20 and less economic development.

21 The Louisiana Amonia Producers support
22 the proposed OCS five year plan and would
23 like to see it expanded to allow more oil and
24 gas exploration in the eastern Gulf and other
25 areas now off limits. This additional

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1 exploration and production would help our
2 industry and the nation keep up with the ever
3 increasing demand for natural gas, and help
4 maintain affordable fertilizer prices for our
5 nation's farmers.

6 The additional oil and gas production
7 produced from these areas would further
8 reduce our nation's dependence on the foreign
9 oil, and create the much needed jobs in these
10 economic times, and generate additional
11 federal and state revenues.

12 Thank you for this opportunity to
13 testify.

14 (APPLAUSE)

15 MR. LONNIE LOPEZ:

16 Good afternoon, and thank you
17 for joining us here today. My name is Lonnie
18 Lopez. I am a representative of Parker
19 Drilling Company. We employ approximately
20 thirty-eight hundred people globally. We are
21 in full support of exploration and
22 development of all OCS areas from coast to
23 coast for both oil and gas and alternative
24 energy forces. We hope that this will
25 improve our country's economic growth,

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1 national security, and energy security. I
2 would like to share with you our success as a
3 company who is barely a blip on the radar of
4 exploration company drilling in OCS waters.
5 we've had one rig in the last four years
6 drilling in OCS waters. Specifically in 2008
7 our successes included that we paid over four
8 million dollars in salaries. We purchased
9 over three point eight million dollars in
10 material and resources, and have either
11 directly or indirectly required services of
12 nearly six point (inaudible) million dollars
13 effecting our local state and federal
14 economy.

15 we are glad to stand here in front
16 of you and give the praises. Our company is
17 very much ahead of our industry in leading
18 and training our people and working safely,
19 and leaving the environment virtually
20 unscathed as we leave virtually zero
21 footprint when we drill a well for our
22 industry.

23 Thank you, very much.

24 MR. DON AURAND:

25 Number eleven A through F.

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1 MS. MAXINE RAMSEY:

2 Good afternoon, I am Maxine
3 Ramsey. I am retired from the Department of
4 the Interior with the National Park Service.
5 Gulf Islands National Seashore is a special
6 place. For you all that do not know where it
7 is, it is located in parts of Florida,
8 Pensacola, Gulf Breeze area and it skips
9 Alabama and goes over into Ocean Springs, the
10 mainland. It consists of East and West Ship
11 Island, part of Cat Island, Horn, Pity Boy,
12 and it is a beautiful place. This should all
13 remain as it has been managed since the '80s.
14 I will leave it to the biologist and to the
15 scientists to explain why our islands should
16 be left in their natural habitat. But for
17 myself, the serene tranquility and the beauty
18 of the ospreys and the shore birds and the
19 isolation of such a pristine sight all add to
20 the overall pleasure one receives with
21 visiting any part of Gulf Island's National
22 Seashore. In Mississippi I beg that man
23 leave no footprints in the form of oil rigs
24 or derricks to mar the landscape. There are
25 alternative forms of energy available, but it

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1 appears that our Mississippi Congress and
2 other leaders are being blackmailed and will
3 not permit or even consider these alternate
4 forms of energy.

5 In closing, I hope that you will
6 reconsider and not drill in Gulf Island's
7 National Seashore.

8 (APPLAUSE)

9 MR. MICHAEL STRIKEMILLER:

10 Good afternoon, my name is
11 Michael Strikemiller and I represent
12 Environmental Enterprises, U.S.A., Inc.
13 located in Slidell, Louisiana. We are an
14 environmental testing laboratory that now
15 employs forty people. We receive nearly
16 ninety percent of our income from offshore
17 drilling and production operation in the Gulf
18 of Mexico.

19 During periods of higher Gulf of Mexico
20 activity we employed fifty-five people.
21 Environmental Enterprises has been in
22 business for over twenty-three years. It was
23 initially started to service the toxicity
24 testing requirements for drilling fluids
25 discharged into the OCS waters of the Gulf of

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1 Mexico. We now provide testing services for
2 oil and gas production operations in the
3 Gulf, as well as to local municipalities,
4 chemical plants, chemical suppliers and
5 refineries.

6 Our experience has opened doors to
7 clients all over the world receiving samples
8 from Europe, Africa, Asia and Mexico. Our
9 test organisms have been used in antigravity
10 experiments during two space shuttle
11 missions. Because of the oil and gas
12 industry in the Gulf of Mexico we are able
13 to provide good paying jobs with health
14 benefits, vacations, sick leave and
15 retirement. The oil and gas industry
16 operations in the Gulf has enriched our
17 company providing us with the working
18 capital to maintain sustained growth. Our
19 employees enjoy solid employment, affording
20 them the opportunity to start families,
21 purchase homes and automobiles, send their
22 children to college, and has an excellent
23 quality of life working in a small town.
24 Environmental Enterprises was directly in the
25 path of Hurricane Katrina, but with the

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1 strength and the resilience of the oil and
2 gas industry in the Gulf of Mexico we
3 remained in business and did not have to lay
4 off any one of our employees resulting in one
5 lost wage. Increasing new areas of operating
6 means that Environmental Enterprises can
7 remain a strong company employing forty plus
8 people providing high quality technical jobs
9 that just would not be available without the
10 oil and gas industry in the Gulf of Mexico.
11 we need a strong vibrant and and growing oil
12 and gas industry presence in the Gulf so that
13 small businesses such as Environmental
14 Enterprises can survive.

15 Thank you.

16 (APPLAUSE)

17 MR. DAN KIBBERS:

18 Good afternoon, my name is Dan
19 Kibbers. I am a concerned citizen of
20 Louisiana who works in the offshore oil and
21 gas industry. I am a petroleum engineer and
22 I probably worked in this industry for
23 twenty-two years. I am also an avid
24 fisherman and I appreciate you allowing me to
25 speak to you on this important topic today.

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1 America needs more offshore oil and gas
2 production. It is important to both our
3 national security and our national economy.
4 I am in full support of opening up new areas
5 for oil and gas exploration in the Outer
6 Continental Shelf of Mexico. I think there
7 are several reasons why this needs to happen.

8 First, the OCS provides one of the two
9 domestic exploration areas that have the
10 potential for a significant undiscovered oil
11 and gas reserves. The OCS is currently
12 providing twenty-seven percent of the entire
13 U.S. oil production. This twenty-seven
14 percent comes from only one-half of one
15 percent of one point seven billion acres of
16 OCS lands. Allowing oil and gas exploration
17 companies access to new additional areas will
18 offer new exploration and development
19 opportunities. These new opportunities will
20 allow for additional production from the OCS
21 region. Royalties from additional oil and
22 gas production and proceeds from additional
23 lease sales will boost the tax pace, paying
24 for roads, schools, fire, police and other
25 community services and other community

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1 services in Louisiana and along the Gulf
2 coast.

3 Second, increase in oil production from
4 the OCS will allow for less dependence on
5 foreign oil which translates into more jobs
6 and more money into local state and national
7 economies. Increasing oil production require
8 drilling new wells. Some of these wells will
9 require new drilling rigs to be built. New
10 materials will need to be manufactured for
11 the wells. New structures will need to be
12 built. New pipelines need to be installed.
13 All of these activities could create new
14 family supporting jobs. Additionally there
15 are numerous businesses that support the
16 offshore oil and gas operations and employ
17 thousands of people in Louisiana and along
18 the Gulf Coast.

19 Finally, opening new areas to
20 exploration and production will get us closer
21 to energy and independence. The near term
22 development of these new areas combined with
23 the long term development of other emerging
24 and renewable power resources will ultimately
25 drive us to this goal.

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1 In conclusion, as a proud citizen of
2 Louisiana I urge you to support opening up
3 new areas for oil and gas exploration in the
4 OCS of the Gulf of Mexico. Thank you for
5 this opportunity today.

6 (APPLAUSE)

7 MR. DON AURAND:

8 Could I have people with
9 twelve A through F.

10 MR. STEPHEN RUSSELL:

11 Good afternoon. My name
12 is Stephen Russell and I represent the Mobile
13 area Chamber of Commerce in Mobile, Alabama.
14 The Chamber has more than twenty-four hundred
15 chamber members and represents more than
16 seventy thousand employees. I am here today
17 to express my strong support for expanded
18 leasing of the U.S. Outer Continental Shelf
19 during this time frame from 2010 to 2015.

20 Increasingly the Mobile area business
21 are concerned about energy, availability and
22 price. The extremely tight supply demand
23 situation and emotional trading volatility
24 have produced record high industrial natural
25 gas prices over the past year. These high

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1 energy costs had a huge and harsh effect on
2 the bottom line of our existing area
3 business. The heavy users of natural gas are
4 more carefully weighing expansion decisions
5 in our community, as are those companies
6 considering a new investment in our
7 community. Natural gas production from
8 mature areas is declining.

9 New areas must be explored to produce
10 more natural gas in an environmentally
11 responsible manner. Conservation and energy
12 efficiency are important and can help, but
13 will not be enough alone to reduce prices.
14 Increased energy supply is a matter that is
15 safe and protection of the environment is
16 needed. And towards this end it is important
17 that MMS include additional acreage for lease
18 to insure adequate supplies of oil and
19 natural gas. Securing new domestically
20 produced oil and natural gas will help
21 maintain reasonable energy prices to our
22 power transportation and residential homes,
23 as well as help our industries and businesses
24 competitiveness and open and to keep jobs
25 here in America.

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1 The Chamber has recently sponsored a
2 website, www dot offshore Alabama dot com to
3 support additional drilling in the eastern
4 Gulf of Mexico.

5 Thank you for your consideration in this
6 matter, and for the opportunity to comment on
7 support of OCS drilling.

8 (APPLAUSE)

9 MR. JERRY LANDRUM:

10 My name is Jerry Landrum. I
11 urge you to hold off on these leases at the
12 present time for several reasons. One, it
13 is my understanding that there are large
14 areas where leases are already are effect.
15 So, let the oil companies go ahead and
16 develop those areas.

17 Secondly, those resources belong to us
18 tax payers, and we expect you to regulate
19 those resources for our long-term best
20 interest, not necessarily the short-term.
21 The U.S. global -- the world wide demand for
22 ential growth, and somewhere along in here we
23 are reaching this peak oil phenomenon. Okay,
24 I think we actually hit that back in the in
25 '70s, but it's projected right about now to

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1 hit this world peak oil, at which time when
2 you -- the exponential growth and demand and
3 peaking of supply, prices are going to go
4 thought the roof so that oil and gas is going
5 to be whole lot more in ten years than it is
6 worth now. So, rather than to move forward
7 to extract every last bit of oil and gas off
8 of all of these challenging environments,
9 let's work on the demand side first. We, as
10 a country, have not done nearly enough to try
11 to curb the demand, which the only thing
12 that's curbed demand lately has been this
13 global recession, which is how sensitive
14 price is to demand.

15 what a number of us are advocating, and
16 to me seems to be the best way to do that is
17 let's go ahead and have an honest tax on
18 carbon, all right, with a one hundred percent
19 dividend back to the tax payers. That's
20 important to get us to be willing to accept
21 the tax. This cap and trade thing, I think
22 that is going to be a tax. It's just
23 dishonestly being called a cap. The money is
24 going to go into these banker's and these
25 profiteering schemes. I want that to come

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1 back to us so that we have got the money to
2 do the efficiency upgrades on our houses and
3 so that we can buy the more efficient
4 automobiles.

5 And the third thing is we have got a big
6 carbon problem. The Antarctic ice sheet is
7 breaking up as we speak. We are careening
8 towards an ice free planet. The last time
9 temperatures were three degrees higher sea
10 levels were eighty feet higher. We have got
11 a real serious -- So, the solution to an oil
12 addiction is not more oil.

13 Thank you, very much.

14 MR. DON AURAND:

15 We are scheduled to take
16 another break, but I'm curious how many
17 people are in the audience that still have
18 numbers and still want to speak. Okay.
19 That's enough where we will take a ten minute
20 break. We'll come back at about ten minutes
21 after four. Thank you.

22 (OFF THE RECORD)

23 MR. DON AURAND:

24 A couple of new people on the
25 panel. We will run through the names again.

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1 Mr Chris Oynes is still up here. Steve
2 Textoris who is next to him is still on the
3 panel. Renee Orr is going to be coming back
4 up in just a second. We have one new member,
5 Mr. Joe Christopher, he is the regional
6 supervisor for leasing and environment for
7 the Atlantic and Gulf of Mexico region.

8 With that we will resume the comment
9 period with people who hold number thirteen A
10 through F.

11 MS. ANDRE' ST. PAUL BLAND:

12 Hi, I Andre' St. Paul Bland.
13 I am vice-president of Business Development
14 for Greater New Orleans, Inc.. It is the ten
15 parish economic development organization that
16 represents coastal parishes surrounding New
17 Orleans. They are for economic developmental
18 associations like across the southern part of
19 Louisiana. I am here today to encourage to
20 open new territory for exploration and
21 production in the Gulf of Mexico, and we
22 strongly support continued exploration in the
23 Gulf of Mexico. I agree with many of the
24 comments heard today in support. I would
25 like to make a few additional comments.

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1 Despite continuing emphasis on conservation
2 and expanding renewable sources of energy and
3 petroleum products and natural gas are going
4 to account for almost sixty-five percent of
5 domestic energy consumption in 2025.

6 Since 1980 the U.S. energy consumption
7 has increased by thirty percent while U.S.
8 energy supply has only increased by fifteen
9 percent. Today's domestic production is
10 seven million barrels per day, and net
11 imports have increased fifty-eight percent --
12 to fifty-eight percent of supply.

13 Increases in oil and natural gas in 2008
14 were largely the result of growing -- and the
15 prices were largely the result of growing
16 U.S. and global demand for oil and gas.
17 Unless supply can be increased prices are
18 likely to rise again.

19 If he were going to expand domestic
20 production in federal offshore waters, we
21 need access to new areas that have not been
22 for oil and gas development before.

23 Federal offshore waters hold the
24 greatest potential for finding new energy
25 resources and bringing them to market in the

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1 next five years.

2 This is particularly important in the
3 Gulf of Mexico where we already have the
4 infrastructure the place to deliver those
5 resources to the United States.

6 Expanded offshore development in the
7 U.S. -- is in the U.S. national interest as a
8 means of supply diversification, economic
9 development, and revenue generation.

10 So, we ask that you, please, support and
11 expand exploration and production in the Gulf
12 of Mexico and other East and West Coast
13 territories. Yes?

14 MR. CHRIS OYNES:

15 What is the name of your
16 organization?

17 MS. ANDRE' ST. PAUL BLAND:

18 It is called Greater New
19 Orleans, Inc. I will leave a business card
20 Thank you very much.

21 MR. DON AURAND:

22 Thank you. I should have
23 mentioned that we have the timer working
24 again, so I won't have to jump up and down.
25 You can just see your time on the screen.

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1 Thank you.

2 MR. JAMES BURKE:

3 My name is James Burke.

4 I am with the Consumer Energy Alliance based
5 out of Houston, Texas. CEA is a consumer
6 advocacy group. We represent over a hundred
7 different affiliate organizations, and
8 hundreds of thousands individual members.

9 We support vigorously a balance energy
10 policy that includes expanding the Outer
11 Continental Shelf.

12 We also support alternative energy,
13 wind, solar, bio, anything that produces
14 energy. I personally turned in to the MMS
15 the MMS hundreds of comments during the MMS
16 wind comment period. We were active all over
17 the country, supporting any , you know,
18 movement that is trying to develop energy.

19 I want to say that the highbred car to
20 me is a great example of kind of what our
21 national energy policy needs to be. We
22 certainly couldn't go from gas powered to
23 electric, we had to go to hybrid. And it's
24 become probably the best example of the
25 spirit of environmentalism that's in this

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1 country. Every time I'm driving down the
2 freeway and I see a hybrid car I think that
3 person has spent a lot of money an investment
4 to support the environment and what they
5 believe in. I really appreciate that. But,
6 we need a hybrid approach to moving away from
7 petrochemicals. It's not going to happen
8 overnight. And I think that sometimes the
9 rhetoric of anti-drilling, anti-oil is a
10 little disingenious. Right now we don't have
11 another choice. We are all moving in the
12 direction of renewables, but right now we are
13 stuck with oil in some version.

14 So, I would encourage you to keep that
15 in mind, and I appreciate your coming out
16 today.

17 Again, we are Consumer Energy Alliance
18 dot org, if you want to know more
19 information.

20 Thank you.

21 (APPLAUSE)

22 MS. VIRGINIA SAWYER:

23 Gentlemen, my name is Virginia
24 Sawyer. I'm vice-president of the Louisiana
25 Association of Business and Industry. I

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1 would like to make comments on their behalf
2 today and in addition I've been requested by
3 the National Association of Manufacturers to
4 be their representative as the Louisiana
5 Association of Business and Industry is a
6 downstream affiliate of NAM.

7 Issues dealing with the orderly
8 development of oil and gas and the gas
9 supplies with the offshore, the OCS are not
10 new to our organization. We have been
11 testifying and been working with MMS and with
12 Congress for over twenty-five years to try to
13 develop those -- they have that orderly
14 development. Our comments have focused
15 specifically on exploration for, production
16 of, natural gas and oil. However, we also
17 have a significant interest in the
18 availability of hydrocarbons for our energy
19 intensive manufacturing industries.
20 Particularly our petrochemical and forest
21 products industries. Since the oil and gas
22 issues as it relates to the opening of the
23 eastern Gulf of Mexico areas. And we do
24 concur in those. I would like to change the
25 focus slightly because it appears that there

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1 is an interest in expedited exploration. Our
2 goal then should be to shift to the issue of
3 electricity generation, through which you
4 have been talking through the course of the
5 morning about encouraging additional fuels
6 for electricity generation. In Louisiana the
7 one with most potential is biomass. And we
8 would encourage that. Of course there is not
9 going to be much biomass OCS, but we would
10 like to see some of it onshore. And if there
11 is some appropriate vehicle to change some of
12 the definitions for some tax incentives and
13 credits we would like to see that.

14 Additionally, there are tens of thousands of
15 jobs that can be created. We have been told
16 through new renewable energies but we must
17 remember that we have hundreds of thousands
18 of oil and gas jobs that we do want to
19 protect and to expand.

20 we have diversity in our energy
21 production and sources in Louisiana. But one
22 of the focuses, and I think it gets lost in
23 this energy fate is people think only of
24 electricity. There are other uses for the
25 oil and gas that is produced in the OCS, and

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1 specifically on the petrochemical side.
2 Because if it becomes a building block, a
3 component. Many of the petrochemical
4 products that are reduced in Louisiana, as
5 well as, as the pharmaceutical industry --
6 again, part of the petrochemical industry.
7 Almost fifty-eight percent of the petroleum
8 consumed by the industry in Louisiana is
9 consumed by this industrial base.
10 Ninety-eight percent of all LPGs and
11 ninety-seven of other petroleum products.
12 So, please consider the consuming side of the
13 industry and their need for access to oil and
14 gas, as well as, exploration and production.

15 Thank you.

16 (APPLAUSE)

17 MS. PAULA VASSI:

18 My name is Paula Vassi. I live
19 in Mississippi on the Gulf Coast. And I am a
20 proud Mississippian. I am not proud that you
21 all may be willing to issue new leases south
22 of us. We have enough oil and gas to last.
23 We know it's a finite product. We need to
24 slow down. We need to teach people to be
25 better stewards of what they have to work

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1 with. Drilling in Alaska is a definite no,
2 no. If we are going to eventually run out of
3 a product we need to be doing more to look
4 for new alternatives. If we took the money
5 that they are going to put into this
6 strategic oil reserve in Mississippi, they
7 may destroy both the Pascagoula River which
8 has just been named the ten most list of
9 endangered rivers in America. They may
10 destroy the Gulf of Mexico by discharging
11 saltwater bride. They are going to pipe it
12 one hundred and thirty miles just to
13 discharge it in the Gulf of Mexico. It's
14 hazardous waste material. It doesn't need to
15 go onto the Gulf of Mexico. We would
16 encourage the Interior Department to look
17 into this. We have received one EIS on the
18 strategic oil preserve. It is not enough.
19 It's a worthless document. We have laws in
20 place, both state and federal to protect the
21 environmental. We just need somebody to
22 enforce them.

23 with dealing with the petroleum
24 industry, or the coal industry, they both
25 are destroying so many things that we cannot

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1 replace. If you go up into West Virginia,
2 one of the guys said they own -- they are
3 pulling oil out of West Virginia, I believe.
4 Mountaintop removal, President Obama just put
5 out a moratorium on that. You know, we don't
6 need to keep destroying these places where
7 people live just so the oil and gas industry
8 can keep jobs. We deserve better than that.
9 I don't have a job right now. I don't have a
10 car right now. There are other ways, mass
11 transit, wind power, solar power, wave
12 action, biomass. You know, we have thousands
13 of acres full of trash.

14 You know, find some alternatives that
15 will work. They will provide the job. They
16 may not be as high paying jobs, but we may
17 not need that much money anymore, if we don't
18 have to buy gas and we don't have to buy a
19 car.

20 So you know, we have a responsibility to
21 explore. We have a responsibility to enjoy.
22 We also have a responsibility to conserve. We
23 look to the federal government to make laws
24 and make mandates. If they want to continue
25 drilling for oil and gas then maybe they need

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1 some mandates. If they can't mandate fifty
2 percent reduction in oil production, switch
3 to an alternative source then maybe then
4 don't need a permit to drill anywhere.

5 Mississippi has always managed to take
6 care of their own. Since the hurricanes we
7 have had to have a whole lot of help. We
8 still haven't gotten enough help. But we
9 don't need is oil and gas industry taking an
10 opportunity to use up our resources that may
11 eventually destroy us. Our children deserve
12 better, our grandchildren deserve better. We
13 look to the Interior Department to protect us
14 from the oil and gas industry and the coal
15 industry. We don't need to have an unfair
16 unequitable amount of pollution. I live in
17 Jackson County, Mississippi. It is the most
18 polluted county in the south. It is in the
19 top ten of the counties in the United States.

20 MR. DON ARNAUD:

21 Ma'am I need you to summarize
22 your comments, please.

23 MS. PAULA VASSI:

24 Thank you, dear. It's from oil
25 and gas industry. Our cancer rates are the

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1 highest because of the pollutions put out by
2 the oil and gas industry. It's a trickle
3 down effect. We deserve better, especially
4 in Mississippi. We would encourage you to
5 put all oil and gas drilling, if we must do
6 new --

7 MR. DON AURAND:

8 Ma'am, I need you to
9 summarize.

10 MS. PAULA VASSI:

11 Thank you. If we must do new
12 leases then we need them way offshore, we
13 don't need to destroy what we got. Thank
14 you.

15 (APPLAUSE)

16 MR. DON AURAND:

17 Numbers fourteen A through F.

18 MR. ALLEN DRAKE:

19 I am Allen Drake and I am
20 affiliated with the Millennium Institute.

21 There are three implicative assumptions
22 by most of the pro drilling speakers that are
23 really open to question. One of the
24 assumptions is that significantly increased
25 domestic oil production will have a

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1 significant positive impact on the GDP.
2 Another one is that significant additional
3 American oil production will significant
4 lower world oil prices. And the third is
5 that the best in energy investment is in
6 difficult expensive drilling.

7 We, on our modeling had modeled six
8 hundred barrels a day of additional oil
9 production. It was kind of a north slope,
10 yes versus no analysis. And it increased
11 drilling on the north slope producing, our
12 assumed six hundred thousand barrels a day,
13 increased GDP by a small fraction of one
14 percent and reduced world oil prices by just
15 slightly less than two percent. It had an
16 impact that was not earth shattering my any
17 means. Now, we have also looked at other
18 investments that society can make other than
19 these very expensive, especially ultra-deep
20 offshore drilling. And we found that, for
21 example, Washington, D.C. Metro cost eleven
22 or twelve billion dollars in old dollars.
23 And it saves about a quarter million barrels
24 a day. It cost more than Prudoe Bay, it
25 saves about as much as Prudoe Bay is

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1 producing today. However, Prudoe Bay is
2 going into completion and Washington, D.C.
3 Metro keep going up. Electrifying our free
4 rail lines is another which is not quite as
5 save as much energy per dollar invested as
6 drilling offshore would. But it is
7 something that doesn't deplete it. But we
8 did have one particular policy option which
9 was competitive with offshore drilling per
10 dollar invested. A billion dollars invested
11 in promoting bicycling. More bicycle lanes,
12 bicycle parking. Showers at work. Lockers
13 at work will save about as much oil as a
14 billion dollars spent drilling offshore.
15 This is not an argument against drilling but
16 it is saying that we need to expand the
17 rising policy options. And to drill and not
18 invest in energy efficient non oil
19 transportation is a full hardy policy for
20 this nation as a whole.

21 Thank you.

22 (APPLAUSE)

23 MR. BILL DADRAL:

24 Good afternoon. My name is
25 Bill Dadral. I am a retired Coast Guard

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1 officer. I retired in 2001. I am currently
2 working as an environmental consultant with
3 The National Environmental Consulting
4 Company. And in the interest of disclosure I
5 can say, I can say that I have worked both
6 for government and for industry in the
7 environmental area.

8 I am here today as a resident of
9 Florida. I am a resident of Pensacola,
10 Florida. And I would like to say that I
11 support the MMS 2010 to 2015 five year
12 leasing plan.

13 My final five years with the Coast
14 Guard, I was chief of offshore compliance.
15 Meaning that I was in charge of basically
16 compliance for the offshore oil and gas
17 industry for Coast Guard related matters for
18 the Gulf of Mexico area. And so, I am very
19 familiar with the offshore oil and gas
20 industry. One of the consistent themes that
21 I have heard today and I very much support is
22 the concept that all of the above with
23 respect to energy policy, meaning we need to
24 do more renewables, more alternative energy.
25 But we also need to continue to do offshore

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1 oil and gas exploration, onshore oil and gas
2 exploration, but we need to do it safely and
3 environmentally responsibly. As part of that,
4 we also need to focus on energy efficiency.

5 And I very much support one of the
6 things that MMS is working on right now,
7 which is offshore alternative energy. And I
8 would note that there are some pending
9 regulations that MMS has that are waiting for
10 a resolution of some jurisdictional issues.
11 I would very much support resolving your
12 jurisdiction conflict with FERC quickly in
13 getting those regulation promulgated.

14 As a native of Florida and as a current
15 resident of Pensacola I support expanded
16 access to the eastern Gulf of Mexico. And I
17 am somewhat disappointed in Florida that we
18 are a large consumer of energy but we do very
19 little to support our production of energy.
20 I do believe in an appropriate buffer
21 offshore Florida, but I think the current one
22 hundred and twenty-five miles is probably
23 excessive and unnecessary. Certain areas of
24 the Gulf of Mexico should be protected.
25 Areas like the Florida middle grounds where

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1 there are coral reefs. Marine sanctuaries.
2 Key West. Anywhere where there are coral
3 reefs probably should be off limits. And I
4 think with expanded access comes expanded
5 responsibility. So I think a very robust
6 enforcement program by both the government
7 and a very robust environmental compliance
8 program by the oil companies is necessary.
9 So government and industry will have
10 important responsibilities, if we do allow
11 expanded access.

12 Thank you, very much.

13 (APPLAUSE)

14 MR. DON AURAND:

15 We are on number fifteen,
16 fifteen A through F.

17 MR. HAYWOOD MARTIN:

18 Good afternoon. Thank you for
19 this opportunity to render comment on this
20 process. My name is Haywood Martin. I am
21 the chair of the delta chapter of the Sierra
22 Club, that is the State of Louisiana's
23 volunteer base of Sierra members,
24 representing about twenty-hundred and fifty
25 interested and active persons interested in

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1 protecting and preserving wild places, and
2 the natural beauty of the State of Louisiana.
3 I stand here in opposition to drilling on the
4 OCS, and in favor of reestablishing
5 moratoriums on offshore drilling in the East
6 and West Coast, and in Alaska. The
7 supporting infrastructure for OCS drilling is
8 not there, and its construction would
9 destroy coastal and inland eco systems where
10 oil transportation, storage, and refining
11 facilities would be built.

12 I support the expansion of renewable
13 energy development such as wind, solar, biomass,
14 and other alternatives. I support also
15 creation of incentives and mandates for
16 efficiencies in transportation, efficiency
17 retrofits in existing residential and
18 commercial buildings, and high standards for
19 efficiency in construction of new homes and
20 commercial buildings as well as many other
21 ways that we can reach higher efficiency.

22 I live in Lafayette, Louisiana. There
23 are a lot of people that live in Lafayette
24 and along the Gulf Coast who derive their
25 income and their sustenance from working in

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1 the oil industry. I understand that and
2 appreciate that. I appreciate the efforts
3 that the oil industry goes to deliver a
4 product that has been needed for many years.
5 As far as we are concerned, it's okay to
6 drill in the -- and conduct oil exploration
7 and development in the existing lease areas
8 in the Gulf of Mexico. We have the
9 infrastructure. We have experienced work
10 force to get offshore oil and gas to onshore
11 distribution processing and transportation.
12 But, oil development in the Gulf has come at
13 a high cost to the environment.

14 oil field canals, pipelines, spoil piles
15 crisscross the coastal marsh. From the air
16 it looks the coastal marsh and wetland have
17 been slashed by a thousand cuts. Many
18 observers believe that the oil industry
19 activity is responsible for forty to sixty
20 percent of the destruction and loss of
21 natural wetland that should be working to
22 hold saltwater and to moderate storms as they
23 come in off the Gulf.

24 In the Atchafalaya Basin where I live
25 there are oil field access canals dredged

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1 from natural bayous which are many times cut
2 through what was fully functional wetlands
3 eco systems.

4 The canals are typically bounded by high
5 spoil on both sides that block the natural
6 high water flow into the back swamp.
7 Numerous east west oriented canals and spoil
8 block the natural flow. We think it is time
9 for the oil industry to be part of the
10 solution, instead just being a major part of
11 the problem of coastal land loss.

12 We want them to voluntarily repair the
13 damage to the wetlands in the Atchafalaya
14 Basin into the coast. If we want them the
15 repair the damage to the coast that protects
16 all of us.

17 MR. DON AURAND:

18 I need you to summarize,
19 please.

20 MR. HAYWOOD MARTIN:

21 Thank you.

22 Part of the price for allowing continued
23 or expanded oil development in the Gulf Coast
24 to be the restoration and stablization of
25 Coast by the oil industry are with dollars

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1 derived from the revenues from OCS and Gulf
2 Coast oil development.

3 Thank you.

4 (APPLAUSE)

5 MR. DON AURAND:

6 Sixteen A through F.

7 MR. RICH POOL:

8 Hello. My name is Rich Pool
9 and I represent Mariner Energy. Mariner is
10 an independent exploration production company
11 that currently operates exclusively in the
12 United States. Last year a relatively small
13 company spent more than one billion dollars
14 in oil and gas exploration, development,
15 productions solely in the U.S. with more four
16 fifths of that going to support offshore
17 activities in the Gulf. We could spend if we
18 were allowed to explore in areas offshore of
19 the continental U.S. where these activities
20 are currently prohibited.

21 We directly employ approximately two
22 hundred and seventy-five people in Houston
23 and Midland, Texas and Lafayette, Louisiana.
24 Our employees and contractors worked three
25 point seven million safe man hours offshore

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1 during 2008. That represents roughly two
2 thousand full-time jobs just for a smaller
3 offshore operator. Indirectly our business
4 operations effect this number. Economist
5 will expansion factors more than ten times
6 this number. Our committed expenses
7 certainly vary with sucess our ability to
8 access potential resources. I can tell you
9 the types of businesses and professions that
10 are involved. Some subsea equipment
11 suppliers, consultants, and service
12 providers. To facilitate our technical
13 operations we have offshore operations. This
14 list could be expanded further to specialist
15 and dedicated staff, including caterers,
16 helicopter pilots, work boat crews, pipe
17 fitters, oil country tubing, manufacturers,
18 and seismic data collectors, and processors.
19 These are U.S. based jobs in hourly as well
20 as salaried professions.

21 As expressed previously our national is
22 in an energy crisis. The worth while goal of
23 energy independence should be enhanced by
24 allowing us to explore for and develop oil
25 and gas natural resources in more areas of

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1 the U.S., particularly the offshore arena.
2 The industry has a solid record of safely
3 finding and developing these resources,
4 despite greater technical and logistically
5 challenges.

6 In the past we have witnessed damages
7 and difficulties Mother Nature can wreck with
8 hurricanes, currents, and other weather
9 phenomenon of which Mariner has had to absorb
10 both the risks and the cost of these natural
11 disasters. We support the expansion of
12 offshore exploration in the United States,
13 and urge the government to allow responsive
14 companies to pursue the vital resources off
15 our shores.

16 Thank you.

17 (APPLAUSE)

18 MR. FRANK PASQUITCH:

19 Good afternoon. My name is
20 Frank Pasquitch. I am the executive director
21 for Clean Gulf Associates. Clean Gulf is a
22 not for profit oil spill response cooperative
23 for a hundred and forty-two companies engaged
24 in the exploration and production industry in
25 the Gulf of Mexico. Clean Gulf

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1 Associates has eighteen million dollars in
2 inventory. Nad assets prepositioed
3 throughout the Gulf extending all the way
4 from Angleside to the west to Pascagoula to
5 the east and is ready to respond to an oil
6 spill twenty-fours a day, seven days a week.
7 I am also a retired Coast Guard captain and
8 former captain of the port and federal on
9 scene coordinator, having spent eighteen of
10 my twenty-six years located here in the Gulf
11 of Mexico. I was federal on scene
12 coordinator during Hurricane Katrina, and
13 from 2004 to 2007.

14 Since the discussion today centers
15 around the impact that exploration and
16 production industry has on the environment I
17 feel uniquely positioned and have a rare
18 glimpse into what that impact actually is,
19 since I am there where the rubber meets the
20 road.

21 From my view point, I would like to echo
22 the sentiment of what esteemed legislative
23 panel said this morning, that exploration and
24 production and environmental stewardship
25 co-exist quite well. What the public that I

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1 get to see single everyday are that the
2 current regulations that are in place are
3 very effective and greatly minimize releases
4 into the environment. Rigid protocols are in
5 place for responding to oil and are followed
6 religiously, including notifications,
7 mobilization of resources, and protection
8 resources at risk.

9 spill response plans are very robust.
10 Every single company that's engaged in the
11 exploration and production industry has a
12 plan. They organize effectively and spare no
13 expense in responding appropriately. Plans
14 are exercised routinely. We go through
15 hundreds of drills and exercises every year.
16 In fact, today MMS had an unannounced
17 drilling one of member companies. They are
18 actively responding exactly like they do
19 every single day, and are extremely prepared.
20 Our equipment is well suited for the task at
21 hand to clean up oil, and the industry is
22 extremely proactive and supportive in
23 allowing Clean Gulf to be able to buy
24 effective equipment to be able to respond to
25 an oil spill. In my opinion, the public

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1 should be heartened by the fact that the
2 exploration and production industry is so
3 well prepared. I as much anyone in the
4 audience, whether you represent the industry
5 or an environmental interest group want to
6 live in an clean and healthy environment.
7 I have dedicated any career to the cause of
8 helping the Gulf of Mexico coast line as well
9 as the offshore waters be environmentally --
10 have no environmental harm.

11 I wholeheartedly endorse expanding
12 exploration and production in the Gulf of
13 Mexico, since I know it will be accomplished
14 in an environmentally responsible manner.

15 Thank you.

16 (APPLAUSE)

17 Mr. Don Aurand:

18 Number seventeen A through F.

19 MR. HENRE BOULET:

20 Good afternoon. My name is
21 Henre Boulet. I first want to thank you
22 gentlemen for the opportunity to speak to you
23 behalf on behalf of the. Louisiana Highway 1
24 Coalition, an organization of more than
25 eighty corporations, individuals, and local

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1 government entities actively supporting
2 improvements to the Louisiana Highway 1
3 energy corridor in south Louisiana.

4 As you are aware coastal Louisiana, and
5 particularly Port Fourchon in LaFourche
6 Parish are America's work horse supporting
7 the exploration, production, and delivery of
8 more than sixteen percent of this nation's
9 foreign and domestic oil and gas supply.
10 Perhaps like any other region of this
11 country, south Louisianians recognize the
12 importance of of deep water oil and gas
13 development to America's energy supply and
14 security, and willingly partner with the
15 federal government and energy industry to
16 provide the resources, infrastructure, and
17 man power the deliver this offshore energy to
18 America's heartland.

19 In this respect the LA 1 Coalition
20 wholeheartedly supports the proposed 2010,
21 2015 leasing program which proposes
22 thirty-one OCS lease sales in all or some
23 portion of twelve planning areas. We
24 encourage MMS to do all it can and to support
25 revenue sharing for all states willing to

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1 host energy production off their coast, and
2 we expect some states will welcome the
3 revenue sharing to address their coastal
4 needs, just as Louisiana has lock boxed
5 future revenue sharing funds for our coastal
6 protection and restoration trust fund.

7 Expanding OCS energy production would
8 additionally provide thousand of jobs the
9 country desperately needs right now, and will
10 no doubt increase overall domestic
11 production, reducing our future national
12 dependence on foreign oil.

13 We also strongly urge President Obama
14 and the MMS Administration as prudent
15 managers of the profitable offshore leasing
16 program to develop a funding mechanism to
17 properly mitigate identified impacts on
18 critical energy infrastructure like Louisiana
19 Highway 1 in southern LaFourche Parish.

20 LA 1 is the primary transportation route
21 for trucks entering and exiting Port
22 Fourchon, and the only means of land access
23 to the Louisiana offshore oil port handling
24 fourteen percent of the U.S. imported
25 crude. Everyday nearly twelve hundred big

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1 trucks travel down a nineteen mile section of
2 the substandard two lane highway making it
3 twice as deadly as similar highways. At the
4 end of the day this two lane winding road,
5 vulnerable do washout from a hurricane,
6 standing only two and a half feet above sea
7 level, and often overcome by tidal water from
8 just a persistent southeast wind single
9 handedly services sixteen percent of our
10 country's daily crude oil needs.

11 I applaude MMS for its efforts to
12 increase America's domestic energy supply. I
13 also sincerely the Administration to come to
14 the table to identify ways that the federal
15 government might take a more active role in
16 providing the security that LA Highway 1
17 needs and deserves.

18 Thank you for your time.

19 (APPLAUSE)

20 MS. SAMANTHA HOSENER:

21 Hi. my name is Samantha
22 Hosener. I am a nineteen year old freshman
23 here at Tulane University. I am not here
24 today representing any corporation or any
25 agency, instead I am representing myself and

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1 my peers, tomorrow's generation.

2 Today you guys stand here and you make
3 decisions that will affect me and our

4 generation more than any other generation
5 prior to mine. I am here instead of tanning

6 out on the quad with my friends, because I
7 truly care. Please, do not drill offshore.

8 Please, do not compromise our environment any
9 more. Please, do not you children's future.

10 Please, give the generations of tomorrow

11 clean air and water. Please, do not make my
12 generation pay for your generation's finance

13 -- environmental irresponsibilities.

14 Thank you.

15 (APPLAUSE)

16 MR. MICHAEL HAYES.

17 Good afternoon. I would like to
18 thank you all for being here today and

19 allowing the public to be present, and to

20 comment on this. My name is Michael Hayes.

21 I am a resident of New Orleans, Louisiana,

22 citizen of the United States, and also an

23 Earthling, otherwise know as homosapien,

24 human being, but not a ghost or machine. If

25 you are progressing from point A to point B,

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1 which is really what this is all about, if
2 I'm not mistaken, getting us from point A to
3 point B, and you realize that you are going
4 in the wrong direction, how long does it take
5 before you stop and think to turn around, or
6 perhaps follow a different route? There are
7 many other areas to explore in the field of
8 energy. Methods that will create jobs that
9 will not contribute more particulate matter
10 into the atmosphere, which is increasing
11 global dimming phenonenon, not really
12 currently addressed as much as global
13 warming, and far more dire. You know,
14 william James, brother of Henry James, and
15 one of the great American psychologist noted
16 that if we alter our modes of then we can
17 accomplish wonderful things. In this past
18 century (inaudible) has shown us that with
19 trips to the moon, and travel in outer
20 space, things we never thought possible.

21 So, why not look into electromagnetism.
22 Look into the harnessing the effects of
23 gravity, et cetera. Just because we are
24 looking at tangible minerals here, just
25 because we are looking to manage them doesn't

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1 mean that we have the right to mismanage
2 them. We do the responsibility to future
3 generations. It is not about saving the
4 Earth so much as it is about saving our
5 habitat, balls the Earth will go on, and
6 perhaps rightfully so, without us, if we
7 continue to act in an irresponsible manner.
8 So, I wholeheartedly urge you not to allow
9 the offshore leasing process to take place,
10 the exploration of which could disastrous
11 consequences, not only for us here in the
12 gulf south, but create a precedent that could
13 be repeated in the Arctic Ocean.

14 Thank you very much for your time.

15 (APPLAUSE)

16 MR. DON AURAND:

17 Number eighteen A through F.
18 Does anybody have a nineteen A through F.
19 Okay that would appear to be everybody who
20 asked to comment. At this time we will
21 recess for ten minutes, and see if anybody
22 comes up.

23 (OFF THE RECORD)

24 MR. DON AURAND:

25 Okay. Since there is no one

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1 else to comment at this point we are going to
2 adjourn the meeting until six-forty, at which
3 time we will reconvene.

4 (OFF THE RECORD)

5 MR. DON AURAND:

6 We will get started with the
7 evening session.

8 I am going to run through very briefly
9 what has gone on and what will go on this
10 evening. Since there are not very many of
11 you here I won't go through all of the
12 details that I went through in the morning
13 session. Basically this morning the
14 Secretary of Interior ran a question and
15 answer session and had a presentation on the
16 report that MMS and USGS recently prepared.
17 Then in the afternoon we ran through speaker
18 comments on the draft proposed program, five
19 year program. You all have a speaker number
20 card. We handed those out, then we called
21 people by number to come and comment. Then
22 we broke for dinner. We will resume that
23 same activity tonight. Basically you can
24 come up to any of the microphones. You will
25 have three minutes to present your comments.

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1 That may seem a little odd, since there are
2 so few of you here. But, it's something that
3 we need to do because that is all the time we
4 gave anyone who spoke in the afternoon
5 session. So, to be fair to all commenters
6 when you hit three minutes you need to wrap
7 up your comments. The screen will stay green
8 until you have got thirty seconds left to go.
9 When it turns red your three minutes are up.
10 You can make your comment. It will be
11 recorded by the court reporter whose in the
12 corner of the room, and made available to MMS
13 in their deliberations about the five year
14 plan. The panel who is up here from MMS is
15 here to receive your comments. They will not
16 be answering questions, unless it's a very
17 simple procedural yes, no kind of question.
18 They are beginning at my immediate left Mr.
19 Chris Oynes, who is the Associate Director
20 for Offshore Energy and Minerals Management
21 with Minerals Management Service. Then Lars
22 Herbst who is the Regional Director for the
23 Atlantic and Gulf of Mexico. Then Renee Orr
24 who is the Chief of the Leasing Division, and
25 then finally Harold Syms who is the Chief of

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1 the Resource Evaluation Division.

2 So, with that, I am not quite -- Did a
3 couple of you -- Oh, and, yes, when you come
4 to the microphone bring your speaker card
5 with and hand it to Laura Essex. That is so
6 that we can match the speaker with the full
7 name, because it very hard for the court
8 reporters to get spellings correctly when he
9 is doing phonetically.

10 I believe a couple of had numbers from
11 this morning? I don't know any other way to
12 do it. All four of you can line up -- three
13 of you. However many of you want to make a
14 comment. One, two, three. Line up at the
15 time microphone and take turns, and give
16 Laura the number when you go.

17 MR. HANS OLSON:

18 Good afternoon. My name is
19 Hans Olson. I represent BW Offshore, Inc.
20 U.S.A. We support the expansion of the
21 offshore drilling to other areas of the
22 country. My company employs approximately
23 twelve hundred people around the world which
24 are closely related to the offshore industry
25 activities. Our main objective is to design,

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1 construct, and operate floating production
2 storage and off loading vessels. We are in
3 the lucky position that we are currently
4 constructing the first one for the U.S. Gulf
5 of Mexico on the Chino Cascade field. It is
6 our pleasure to be a part of that.

7 This is a shipshape vessel that is built
8 to produce at an offshore location. We have
9 a unique disconnect boom mooring system that
10 gives us the opportunity to disconnect from
11 our location prior to a named storm or other
12 occurrence. This greatly decreased the risk
13 for the damage to the vessel, crew, and or
14 the environment. During the past decade or
15 so more and more safety systems are set in
16 place to assure the safe operation. This
17 therefore greatly reduces the risk of
18 unforeseen events. Offshore energy is not at
19 odds with the environment. In fact, we take
20 the environment when planning a new project.
21 Our company places health, safety, and
22 environment as our number one priority.

23 Offshore energy is important for the
24 local economy. Many jobs are generated from
25 oil production, from small Mom and Pop shops

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1 up in east Texas to shops with larger
2 suppliers. Since we are now in a recession
3 it is important to stimulate continuity
4 within our business. The unemployment in
5 south is well above the national average.
6 our offshore position gives work to several
7 onshore jobs. We need to also reduce
8 dependency on the amount of foreign oil we
9 use. This can not be accomplished without
10 tapping into our oil and natural and natural
11 resources.

12 I would like to take the opportunity to
13 thank the Coast Guard and the MMS for the
14 good working relationship that have, and ask
15 that MMS maintain a consistent level of
16 activity ongoing here in the Gulf of Mexico,
17 and I look forward to opening new areas for
18 exploration. Again, we wish to support the
19 expansion of offshore drilling.

20 Thank you.

21 MS. JILL WILKOWSKI:

22 Good evening. My name is Jill
23 wilkowski. I am a member of the Surf Rider
24 foundation and I am the chairperson of the
25 Central Gulf Coast Chapter of the Surf Rider

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1 Foundation. We have members in Louisiana,
2 Mississippi and Alabama.

3 The Surf Rider Foundation opposes
4 expanding any offshore drilling because the
5 risk of harm outweigh the benefits. Our
6 oceans are waves and our beaches are
7 important recreational, economic and
8 ecological treasures. Surfers have a special
9 relationship to the ocean and the beach and
10 the waves. And sitting out on your board is
11 kind of a religious experience to us. And so
12 for us, expanding offshore oil drilling is
13 like taking a national treasure like an
14 original copy of a Declaration of
15 Independence and burning it for warmth. Yes,
16 you get warmth for a little bit but you
17 destroyed a national treasure. And it gone
18 for forever and its not available anymore for
19 all Americans to enjoy. That's how we feel
20 about expanding offshore oil drilling. That
21 to open up more areas to risk of harm to oil
22 spills, to not be able to use those beaches,
23 those waves, those breaks anymore. Taking
24 them away from the public for a small benefit
25 of maybe having more oil for a short amount

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1 of time just isn't worth the risk. Surf
2 Riders instead thinks that we need to have a
3 sustainable energy plan and that needs to
4 focus on conservation.

5 Again, we employ you to please not
6 expand offshore oil drilling. Thank you.

7 MR. MIKE MURPHY:

8 My name is Mike Murphy, I am a
9 member of the Surf Rider Foundation, member
10 of the South Central Gulf Coast Chapter. We
11 believe that policy regarding the energy
12 resources of the Outer Continental Shelf
13 should be one of conservation. We oppose
14 expansion of offshore drilling. Certainly
15 the oil and gas industry has supplied much of
16 our nation's energy needs over the last
17 century. However, they have also encouraged
18 an increase in our energy appetite. This
19 vicious cycle increases the likelihood of
20 spills and accidents because these operations
21 are inextricable bound to error. Demand side
22 management is a prudent policy direction to
23 pursue with regard to energy policy. Demand
24 side management reduces our dependence on
25 foreign sources of energy. And it gives us a

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1 chance to ramp up our renewable energy
2 production. Our Surf Rider members have all
3 too often seen the devastating consequences
4 of mistakes made in the offshore oil and gas
5 production industry. There may have been
6 great advances in the safety of the handling
7 of oil and gas however the risk still remains
8 high and with the increase of production such
9 as expanding the leases that will only
10 greatly increase the changes of a devastating
11 effect on the Gulf Coast natural resources.

12 So we oppose any expansion.

13 MR. DON AURAND:

14 Are there any other commenters?
15 We are going to take a recess until ten after
16 seven to see if anybody else shows up. Thank
17 you for your comments.

18 I would like to make one more call for
19 any additional comments. Okay. There being
20 no additional comments, the meeting is
21 adjourned at seven-ten.

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1 R E P O R T E R ' S P A G E

2 I, RICKEY MARSHALL, Certified Court
3 Reporter, in and for the State of Louisiana,
4 the officer, as defined in Rule 28 of the
5 Federal Rules of Civil Procedure and/or
6 Article 1434 (B) of the Louisiana Code of
7 Civil Procedure, before whom this sworn
8 testimony was taken, do hereby state on the
9 Record;

10 That due to the interaction in the
11 spontaneous discourse of this proceeding,
12 dashes (--) have been used to indicate
13 pauses, changes in thought, and/or talkovers;
14 that same is the proper method for a Court
15 Reporter's transcription of proceeding, and
16 that the dashes (--) do not indicate that
17 words or phrases have been left out of this
18 transcript; that any words and/or names which
19 could not be verified through reference
20 material have been denoted with the phrase
21 "spelled phonetically".

22 * * * * *

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1 C E R T I F I C A T E

2 I, Rickey Marshall, Certified Court
3 Reporter, in and for the State of Louisiana,
4 do hereby certify that the Department of the
5 Interior Outer Continental Shelf Hearing as
6 set forth in the foregoing three-hundred
7 three (303) pages.

8 That the testimony was reported by
9 me in shorthand and transcribed under my
10 personal direction and supervision, and is a
11 true and correct transcript, to the best of
12 my ability and understanding.

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24 Rickey Marshall (#87147)
25 Certified Court Reporter
State of Louisiana

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